CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

United Kingdom balance of payments in the first quarter of 1979

Regional accounts: preliminary estimates for 1977

The Budget: 12 June 1979

The economic outlook to 1980

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Release dates of economic statistics to be published in July 1979

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in July. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

Publication date	Series	Method release	Source
July 1979			
Mon 2	CBI Monthly Trends Inquiry (June)	PN	CBI
	Retail sales (May – final)	PN	D of Trade
	Hire purchase and other instalment credit business (May)	PN	D of Trade
Tues 3	UK official reserves (June)	PN	HM Treasury
	Capital issues and redemptions (during the month of June)	PN	Bank of England
Thurs 5	Housing starts and completions (May)	PN	D of the Environment
Fri 6	Gross domestic product; personal income, expenditure and saving (1st qtr)	PN	CSO
	Construction – output (1st qtr)	PN	D of the Environment
Mon 9	Wholesale price index numbers (June – provisional)	PN	D of Industry
Tues 10	Central government transactions (including borrowing requirement) (June)	PN	HM Treasury
	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-June)	PN	Bank of England
	London clearing banks' monthly statement (mid-June)	PN	CLCB
	Provisional figures of vehicle production (June)	PN	D of Industry
Wed 11	Construction – new orders (March and April)	PN	D of the Environment
Fri 13	Balance of payments current account and overseas trade figures (June)	PN	D of Trade/CSO
	Retail prices index (June)	PN	D of Employment
	Index of industrial production (May – provisional)	PN	CSO
	Building societies receipts and loans (June)	PN	BSA
	Usable steel production (June)	PN	BSC/BISPA
Mon 16	Retail sales (June – provisional)	PN	D of Trade
Wed 18	Cyclical indicators for the UK economy (June)	PN	CSO
	Basic rates of wages and normal weekly hours (June)	PN	D of Employment
	Monthly index of average earnings (May)	PN	D of Employment
Thurs 19	UK banks' assets and liabilities and the money stock (mid-June)	PN	Bank of England
	Consumers' expenditure (2nd qtr – 1st preliminary estimate)	PN	CSO
	London dollar and sterling certificates of deposit (mid-June)	PN	Bank of England
Fri 20	Sales and orders in the engineering industries (April)	T and I	D of Industry
Sun 22	Department for National Savings monthly progress report (June)	PN	D for National Savings
Mon 23	Industrial and commercial companies: appropriation account, net acquisition of financial assets and net borrowing requirement (1st qtr)	PN	CSO
	New vehicle registrations (June)	PN	D of Transport
Tues 24	Unemployment (July – provisional)	PN	D of Employment
	Unfilled vacancies (July – provisional)	PN	D of Employment
	Bricks and cement production (June)	PN	D of the Environment
Wed 25	Construction – new orders (May)	PN	D of the Environment
Thurs 26	Unemployment (June – final)	Gazette	D of Employment
	Quarterly estimates of employees in employment (March)	Gazette	D of Employment
	Employment in the production industries (May)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (May)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (June)	Gazette	D of Employment
	Institutional investment (1st qtr)	PN	CSO
	Energy Trends	PN	D of Energy
Tues 31	CBI Industrial Trends Survey (July)	PN	CBI

PN—*Press Notice* T and I—*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 308
June 1979

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Government Statistical Service

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The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 6135 6193.

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Introduction

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.
- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.
- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. The regular 'Round-up' feature contains notes on relevant articles appearing in other publications, news of developments in economic statistics and brief synopses of any new publications.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 21 June. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Symbols used:

..	not available or not meaningful
–	nil or less than half the final digit shown
§	series for which measures of variability are given on page 70
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

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Latest developments in the economy[1]

Data available at 20 June 1979

Output

The output measure of gross domestic product fell by 1 per cent between the fourth quarter of 1978 and the first quarter of 1979 largely because of bad weather and strikes.

Provisional estimates of the index of industrial production suggest that industrial output in April continued its recovery from the low winter level. The underlying level of industrial output over the first four months of 1979 appears to be much the same as it was in the summer of 1978 with a small reduction in manufacturing industries' output being broadly offset by an increase in output of the energy sector.

Steel production in May fell from the high April level but was 8 per cent higher than in May 1978.

Car production fell again in May but in the three months March to May was about 4 per cent higher than in the previous three months.

Housebuilding

In the three months February to April housing starts were 15 per cent down on the previous three months and 24 per cent lower than in February to April 1978. Total completions were 14 per cent down on the previous three months and 23 per cent lower than a year earlier.

Consumers' expenditure

Latest estimates are that the volume of consumers' expenditure rose by 1 per cent in the first quarter. There was some recovery in expenditure on motor vehicles, and expenditure on wines and spirits, and radio and electrical goods reached new peaks though beer sales slumped.

Provisional estimates suggest that the volume of retail sales fell in April but was nevertheless high. Over the first five months of 1979 the volume of sales was at about the same rate as in the fourth quarter of 1978.

Capital expenditure

There was a 2 per cent fall in fixed investment in the first quarter. In the 12 months up to the first quarter investment in manufacturing and in the distributive trades rose by 6·5 per cent and 3 per cent respectively over the previous 12 months. Investment in public and private dwellings fell and there was a substantial fall of 8 per cent in fixed investment in North Sea oil and gas.

According to the Department of Industry's survey of investment intentions, investment by manufacturing industry is expected to rise by 2 to 5 per cent in 1979 and may fall slightly in 1980. Investment by the distributive and service industries is likely to rise by 5 to 7 per cent in 1979 with a similar increase in 1980.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Stocks

Recorded stockbuilding in the first quarter was at about the average for 1978 as a whole. The published figures have been adjusted upwards to counteract distortions thought to arise from the delay in recording trade figures and the road haulage dispute.

Companies

In the six months to the end of the first quarter of 1979 gross trading profits of industrial and commercial companies after providing for stock appreciation showed little change from the previous six-month period.

The Department of Industry's survey of large companies shows that their liquidity ratio fell from 123 per cent at the end of the fourth quarter to 99 per cent at the end of the first. Net current assets fell by about £920 million.

Earnings and wage rates

Average earnings of all employees in Great Britain increased by 13·5 per cent between April 1978 and April 1979. This estimate is based on the monthly index for the whole economy which is not seasonally adjusted. The older series index, which is seasonally adjusted and covers the production industries and some services, showed a fall of 0·4 per cent between March and April.

The index of basic weekly wage rates (not seasonally adjusted) rose during May and was 11·2 per cent higher than in May 1978.

Prices (not seasonally adjusted)

The index of retail prices in May was 215·9 (January 1974=100). This represents an increase of 0·8 per cent on April 1979 and of 10·3 per cent on May 1978.

The provisional wholesale price index for home sales of manufactured goods increased by 1·25 per cent in May. Higher prices were recorded for sales of the printing and publishing and the vehicles industries. In the food manufacturing sector there were price rises for chocolate and sugar confectionery, meat and fish products, and bread. The increase in the index for all manufactured products over a twelve-month period rose from 9·5 per cent in April to 10 per cent in May.

The price index for materials and fuel purchased by manufacturing industry increased by 1·5 per cent in May. The change in this index measured over a twelve-month period was 9·5 per cent compared with 9 per cent in April.

Trade and balance of payments

Although visible trade figures have been published up to May, there are still delays in processing some of the basic data, particularly that relating to imports at the London airports, because of a dispute affecting a computerised information system. The road haulage dispute caused

distortions to trade in January and subsequent months. Consequently, even when the figures for January to May are taken together, a number of distortions remain, which make it difficult to discern the underlying movements in trade in recent months.

Imports in the first five months of the year are recorded as averaging £3,359 million a month, but the actual average monthly level is likely to have been around £3,550 million, a marked increase on the average of £3,113 million in the second half of 1978. There were large rises in imports of road vehicles and chemicals. After making rough allowance for distortions, the value of exports during the first five months is likely to have been running at not much above the level of the second half of last year. There was a substantially lower level of deliveries to Iran and Nigeria.

In the first five months of 1979 there was a recorded trade deficit of about £1·7 billion. This was partly offset by a surplus of £0·6 billion on invisible transactions giving an overall current account deficit of £1·1 billion.

Money stock

In the four weeks ended 16 May the broader version of money stock (sterling M_3) rose by £630 million or 1·2 per cent. The narrower version of money stock (M_1) remained unchanged following the exceptionally large rise in the previous month.

Domestic credit expansion was £950 million during the banking month. There was another strong rise in bank lending to the private sector of £870 million. The central government borrowing requirement where there was benefit of some unwinding of the effects of the civil service industrial dispute was £730 million, but on-lending to the rest of the public sector was heavy. Sales of central government debt to the non-bank private sector were £510 million. The rest of the public sector made a negative contribution for the first time since mid-November. External and foreign currency finance was again negative, implying some external outflow from the private sector.

Economic events

May

15 The Queen's Speech affirms the Government's commitment to the European Community and that priority will be given to controlling inflation through firm monetary and fiscal policies. The Prime Minister announces that the Budget will be on June 12 and that the Price Commission will be abolished.

21 The Civil Service halts recruitment and promotion for 3 months to start reducing numbers.

31 Iran increases the price of oil by 7·5 per cent; it is thought that this will lead to oil price rises by other world producers. This is already causing price increases and shortages of petrol in the UK.

June

7 The Energy Secretary, Mr David Howell, calls for a cut of 5 per cent in the country's oil consumption.

Direct elections of representatives to the European Parliament are held throughout the nine EEC countries. In Britain the Conservatives win 60 constituencies, Labour 17 and Scottish Nationalists 1.

8 The trade figures for February, March and April and the first quarter balance of payments, which had been delayed by industrial action, are published.

11 The Royal Commission on the Distribution of Income and Wealth (Chairman: Lord Diamond) to be wound up.

12 Sir Geoffrey Howe, Chancellor of the Exchequer, introduces his first Budget. He adopts a new approach to the economy to check the long-term decline in economic performance which has gathered pace over recent years.
This new strategy is based on four principles: first, the strengthening of incentives, particularly through tax cuts, allowing people to keep more of their earnings in their own hands; second, greater freedom of choice by reducing the state's role and enlarging that of the individual; third, the reduction of the borrowing requirement of the public sector; and fourth, to bring inflation under control through firm monetary and fiscal discipline. The Budget measures are described in detail on page 104 of this issue.

The *Financial Statement and Budget Report 1979–80* is published.

13 The Secretary of State for Social Services, Mr Patrick Jenkin, gives details of increases in social security benefits to take effect in November, including retirement pensions which go up by £3·80 to £23·30 for a single person and by £6·10 to £37·30 for a married couple. In future, benefits will be uprated in line with the rise in prices in the preceding year. This replaces uprating in line with either prices or earnings, whichever was the higher.

14 The major clearing banks raise their base lending rate by 2 per cent to 14 per cent in line with the 2 per cent rise in Minimum Lending Rate on Budget Day.

15 The Government announce the issue of £1·8 billion of gilt-edge stock, £800 million of 12 per cent Treasury 1984 and another tranche of £1 billion of 12¼ per cent Exchequer 1999.

Mr Peter Walker, the Agriculture Minister, announces plans to devalue the UK 'green pound' (the rate of exchange used to translate EEC farm prices into sterling) by 5 per cent.

Selected monthly indicators[1]

	Seasonally adjusted					Unadjusted				Seasonally adjusted			
	1971 =100	Thousands	1975 =100	Thousands		Jan. 1976 =100	1975 =100	Jan. 1974 =100	December 1971 =100	£ million			
	Volume of retail sales (GB)[2, 3] §	New registrations of cars (GB) §	Index of industrial production[4] §	Unemployment[5] §	Vacancies[6, 8] §	Average earnings New series (whole economy: GB)	Wholesale prices of materials and fuel[7]	General index of retail prices (all items)	Sterling effective exchange rate	Balance of payments current account: Exports (f.o.b.) §	Imports (f.o.b.) §	Current balance	Money stock sterling M_3
1977 J	104·4	113·3	105·9	1,395·1†	155·2†	117·0	147·9	183·8	61·0	2,788	2,953		41,490
A	104·7	113·0	106·4	1,396·8	155·6	115·7	145·9	184·7	62·0	2,845	2,743	+522	41,610
S	103·5	104·7	106·4	1,417·5	150·4	116·6	145·6	185·7	62·4	2,898	2,838		42,190
O	103·1	116·0	105·5	1,421·9	159·0	117·9	143·7	186·5	62·5	2,739	2,749		42,570
N	103·6	114·2	105·5	1,423·6	162·7	120·1	142·0	187·4	63·6	2,652	2,538	+501	42,880
D	106·9	108·2	106·5	1,421·0	169·1	121·7	141·0	188·4	63·8	2,785	2,905		43,440
1978 J	105·3	119·1	106·9	1,421·7	180·2	121·5	139·4	189·5	66·0	2,603	2,928		44,210
F	106·7	121·0	107·3	1,413·9	185·3	122·7	139·1	190·6	66·0	2,992	2,969	−341	45,030
M	107·2	144·6	106·8	1,411·4	192·3	125·0	142·0	191·8	64·1	2,813	3,107		45,320
A	106·9	130·4	111·0†	1,403·0	199·8	127·2	145·1	194·6	61·8	2,960	2,835		45,980
M	108·2	126·6	110·0	1,384·8	205·6	129·4	146·8	195·7	61·5	2,873	3,055	+146	46,530
J	108·6	141·7	111·1	1,378·1	213·4	133·1	147·0	197·2	61·3	2,920	3,036		46,930
J	111·0	111·3	111·6	1,370·2	211·1	133·6	145·8	198·1	62·1	3,011	3,158		47,600
A	111·7	142·4	112·1	1,373·4	211·8	131·7	144·2	199·4	62·4	3,008	3,010	+ 51	47,390
S	109·6	144·0	110·8	1,360·2	222·8	134·2	144·8	200·2	62·7	3,032	3,250		47,880
O	110·2	133·3	108·8	1,349·9	231·8	135·2	145·7	201·1	62·5	3,073	3,037		48,270
N	110·5	126·3	109·8	1,331·7	234·9	136·1	147·3	202·5	62·5	3,020	3,136	+398	48,620
D	113·8	120·9	111·5	1,319·6	235·9	138·0	148·3	204·2	63·2	3,127	3,086		49,370
1979 J	109·6	121·1	103·4	1,342·1	235·7	135·7	150·8	207·2	63·5	2,810†	2,936†		50,410
F	110·4	117·0	110·7	1,366·5	228·9	141·1	152·2	208·9	63·7	2,565	3,331	−787	50,950
M	110·8	156·0	112·5	1,361·5	233·1	143·7†	153·5†	210·6	65·0	3,015	3,304		50,570
A	115·4†	157·9	115·0	1,327·4	245·3	144·3[9]	158·3[9]	214·2	66·9				51,300†
M	113·5[9]			1,306·4	257·3		160·7[9]	215·9	66·9				51,930
J													
	Percentage change, latest three months on previous three months												
1978 J	+ 2·2	− 4·2	+ 2·3	− 2·3†	+ 9·1†	+ 5·7	+ 3·1	+ 2·4	− 3·7	+ 0·4	+ 3·8	..	+ 3·5
A	+ 2·7	− 1·6	+ 2·1	− 1·8	+ 6·5	+ 4·4	+ 0·7	+ 2·2	− 0·9	+ 3·4	+ 2·3	..	+ 3·0
S	+ 2·6	− 0·3	+ 0·7	− 1·5	+ 4·3	+ 2·5	− 0·9	+ 1·7	+ 1·4	+ 2·9	+ 5·5	..	+ 2·5
O	+ 1·1	+10·6	− 0·3†	− 1·2	+ 5·8	+ 1·3	− 1·1	+ 1·6	+ 1·5	+ 3·5	− 0·5	..	+ 1·8
N	− 0·2	+ 2·1	− 1·6	− 1·9	+ 8·4	+ 1·8	+ 0·2	+ 1·5	+ 1·0	+ 2·1	+ 2·4	..	+ 2·0
D	+ 0·9	− 4·3	− 1·3	− 2·5	+ 8·8	+ 2·4	+ 1·5	+ 1·7	+ 0·5	+ 1·9	− 1·7	..	+ 2·4
1979 J	+ 1·0	−12·2	− 2·2	− 2·2	+ 6·0	+ 2·1	+ 2·7	+ 2·2	+ 0·9	− 1·7	− 1·5	..	+ 3·4
F	+ 1·3	−11·1	− 1·2	− 0·3	+ 1·6	+ 2·3	+ 3·1	+ 2·7	+ 1·4	− 6·8	− 0·1	..	+ 4·1
M	− 1·3	+ 3·6	− 1·1	+ 1·7	− 0·7	+ 2·7†	+ 3·4	+ 3·1	+ 2·1	− 9·0	+ 3·0	..	+ 3·9
A	+ 0·5†	+17·0	+ 3·9	+ 1·6	+ 0·1	+ 4·7[9]	+ 3·9[9]†	+ 3·2	+ 3·4				+ 3·0
M	+ 1·3[9]			− 0·8	+ 5·0		+ 4·7[9]	+ 3·3	+ 4·2				+ 2·0
J													
	Percentage change, latest three months on corresponding period of previous year												
1978 J	+ 6·0	+18·6	+ 5·0	+ 0·5	+35·3	+14·1	− 1·2	+ 7·6	− 0·4	+ 8·1	+ 4·4	..	+14·5
A	+ 6·6	+21·7	+ 5·7	− 1·1	+36·7	+14·5	− 1·1	+ 7·7	+ 0·7	+ 6·2	+ 5·1	..	+14·3
S	+ 6·2	+20·1	+ 5·0	− 2·5	+40·0	+14·4	− 1·0	+ 7·9	+ 1·0	+ 6·1	+10·4	..	+14·0
O	+ 6·5	+25·8	+ 4·0†	− 3·6	+43·3	+14·5	− 0·1	+ 7·9	+ 0·4	+ 6·1	+11·6	..	+13·6
N	+ 6·5	+20·5	+ 3·6	− 5·2	+46·0	+14·3	+ 1·5	+ 7·9	− 0·4	+10·0	+16·0	..	+13·4
D	+ 6·7	+12·5	+ 3·8	− 6·2	+43·2	+13·8	+ 3·4	+ 8·1	− 0·9	+12·8	+13·0	..	+13·5
1979 J	+ 5·8	+ 7·9	+ 1·8	− 6·4	+38·0	+12·8	+ 5·7	+ 8·6	− 2·2	+11·4†	+ 9·4	..	+13·7
F	+ 4·9	+ 3·1	+ 1·5	− 5·4	+31·0	+13·3	+ 7·6	+ 9·1	+ 2·8	+ 1·5	+ 6·3	..	+13·6
M	+ 3·7	+ 2·4	+ 1·7	− 4·2	+25·1	+13·9†	+ 8·6†	+ 9·6	− 2·0	− 0·3	+ 6·3	..	+12·9
A	+ 4·9†	+ 8·8	+ 3·9	− 4·1	+22·5	+14·5[9]	+ 8·9[9]	+ 9·8	+ 1·9				+12·1
M	+ 5·2[9]			− 4·9	+23·1		+ 8·9[9]	+10·1	+ 5·7				+11·6
J													

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] See footnote [2] on page 12. [4] All industries covered. [5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices. [7] Purchased by manufacturing industry.
[8] The seasonally adjusted series have been calculated as described in *Employment Gazette* for May 1979. [9] Provisional.

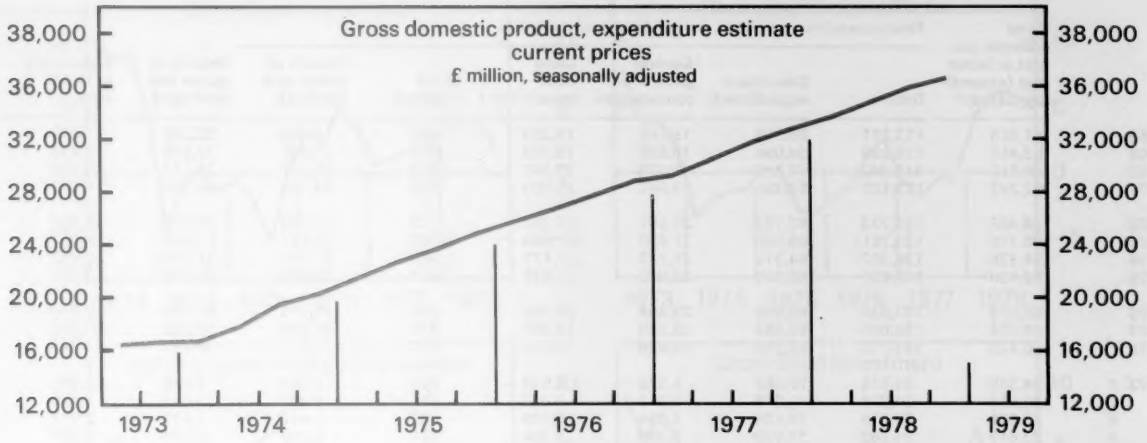
Tables and charts

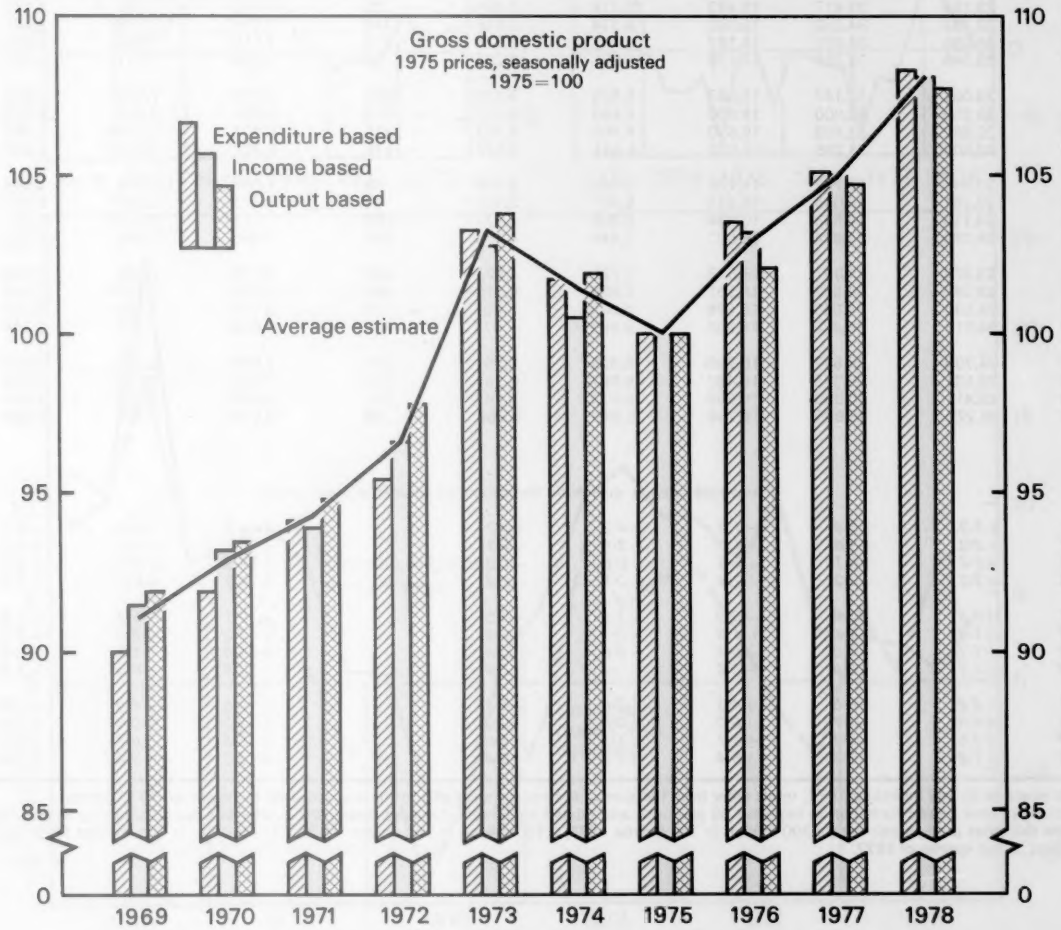
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied Index of total home costs	National disposable income[2]
	At current prices				At 1975 factor cost						At 1975 market prices
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	expenditure data	Average estimate
1968	37,411	37,183	40·3	40·4	81,913	88·3	88·4	90·1	88·9	45·7	91·8
1969	39,453	39,890	42·5	43·3	83,415	90·0	91·5	91·9	91·1	47·3	94·4
1970	43,445	43,794	46·8	47·5	85,210	91·9	93·2	93·4	92·9	51·0	96·9
1971	49,264	48,857	53·1	53·0	87,242	94·1	93·9	94·8	94·3	56·4	98·8
1972	54,996	55,289	59·3	60·0	88,496	95·4	96·6	97·8	96·6	62·1	101·6
1973	64,031	63,304	69·0	68·7	95,775	103·3	102·8	103·8	103·3	66·9	106·4
1974	73,864	72,520	79·7	78·7	94,326	101·7	100·5	101·9	101·4	78·3	100·5
1975	92,720	92,119	100·0	100·0	92,720	100·0	100·0	100·0	100·0	100·0	100·0
1976	109,356	108,328	117·9	117·6	95,979	103·5	103·2	102·1	102·9	113·9	102·8
1977	123,813	122,889	133·5	133·4	97,504	105·1	105·0	104·6	104·9	126·9	103·9
1978	140,740	139,539	151·8	151·5	100,473	108·3	108·1	107·7	108·1	140·0	108·0
1973 *3*	16,150	16,100	69·6	69·9	23,951	103·3	103·7	104·0	103·7	67·4	104·9
4	16,574	16,349	71·5	71·0	23,619	101·9	101·2	103·6	102·2	70·2	
1974 *1*	16,594	15,959	71·6	69·3	23,169	100·0	96·8	100·1	99·0	71·6	100·0
2	17,653	17,295	76·2	75·1	23,723	102·3	101·0	103·0	102·1	74·4	
3	19,504	19,160	84·1	83·2	24,088	103·9	102·9	103·2	103·3	81·0	100·9
4	20,113	20,106	86·8	87·3	23,346	100·7	101·4	101·4	101·2	86·2	
1975 *1*	21,446	21,180	92·5	92·0	23,081	99·6	99·0	101·3	100·0	92·9	100·1
2	22,747	22,521	98·1	97·8	23,250	100·3	100·0	99·8	100·0	97·8	
3	23,554	23,467	101·6	101·9	22,882	98·7	99·0	99·1	98·9	102·9	99·9
4	24,973	24,951	107·8	108·3	23,507	101·4	102·0	99·8	101·1	106·3	
1976 *1*	25,873	25,450	111·6	110·5	23,845	102·9	101·8	101·0	101·9	108·5	102·5
2	26,716	26,678	115·3	115·8	23,761	102·5	103·0	101·7	102·4	112·4	
3	27,827	27,606	120·0	119·9	24,113	104·0	103·9	101·8	103·3	115·4	103·2
4	28,940	28,594	124·9	124·2	24,260	104·7	104·1	103·9	104·2	119·3	
1977 *1*	29,297	29,227	126·4	126·9	23,954	103·3	103·7	104·5	103·8	122·3	102·7
2	30,169	30,378	130·1	131·9	24,099	104·0	105·4	104·2	104·5	125·2	
3	31,770	31,110	137·1	135·1	24,533	105·8	104·3	104·8	105·0	129·5	105·2
4	32,577	32,174	140·5	139·7	24,918	107·5	106·8	105·1	106·5	130·7	
1978 *1*	33,618	33,000	145·0	143·3	24,709	106·6	105·3	105·9	105·9	136·1	107·1
2	34,651	34,499	149·5	149·8	25,131	108·4	108·7	108·0	108·4	137·9	
3	35,965	35,644	155·2	154·8	25,411	109·6	109·4	108·6	109·2	141·5	108·9
4	36,506	36,396	157·5	158·0	25,222	108·8	109·2	108·3	108·8	144·7	
	Percentage change, period on corresponding period of previous year										
1976 *3*	*+18·1*	*+17·6*	*+18·1*	*+17·6*	*+5·4*	*+5·4*	*+4·9*	*+2·7*	*+4·4*	*+12·2*	*+3·3*
4	*+15·9*	*+14·6*	*+15·9*	*+14·6*	*+3·2*	*+3·2*	*+2·1*	*+4·1*	*+3·1*	*+12·2*	
1977 *1*	*+13·2*	*+14·8*	*+13·2*	*+14·8*	*+0·5*	*+0·5*	*+1·9*	*+3·5*	*+1·9*	*+12·7*	*+0·2*
2	*+12·9*	*+13·9*	*+12·9*	*+13·9*	*+1·4*	*+1·4*	*+2·3*	*+2·5*	*+2·1*	*+11·4*	
3	*+14·2*	*+12·7*	*+14·2*	*+12·7*	*+1·7*	*+1·7*	*+0·4*	*+2·9*	*+1·6*	*+12·2*	*+1·9*
4	*+12·6*	*+12·5*	*+12·6*	*+12·5*	*+2·7*	*+2·7*	*+2·6*	*+1·2*	*+2·2*	*+ 9·6*	
1978 *1*	*+14·7*	*+12·9*	*+14·7*	*+12·9*	*+3·2*	*+3·2*	*+1·5*	*+1·3*	*+2·0*	*+11·3*	*+4·3*
2	*+14·9*	*+13·6*	*+14·9*	*+13·6*	*+4·3*	*+4·3*	*+3·1*	*+3·6*	*+3·7*	*+10·1*	
3	*+13·2*	*+14·6*	*+13·2*	*+14·6*	*+3·6*	*+3·6*	*+4·9*	*+3·6*	*+4·0*	*+ 9·3*	*+3·5*
4	*+12·1*	*+13·1*	*+12·1*	*+13·1*	*+1·2*	*+1·2*	*+2·2*	*+3·0*	*+2·2*	*+10·7*	

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends*, No. 255, January 1975.
[3] Income data deflated by the implied index of total home costs.


Gross domestic product, expenditure estimate
current prices
£ million, seasonally adjusted
38,000
36,000
32,000
28,000
24,000
20,000
16,000
12,000
1973
1974
1975
1976
1977
1978
1979


Gross domestic product
1975 prices, seasonally adjusted
1975=100
Expenditure based
Income based
Output based
Average estimate
110
105
100
95
90
85
0
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978

Expenditure on the gross domestic product

Seasonally adjusted

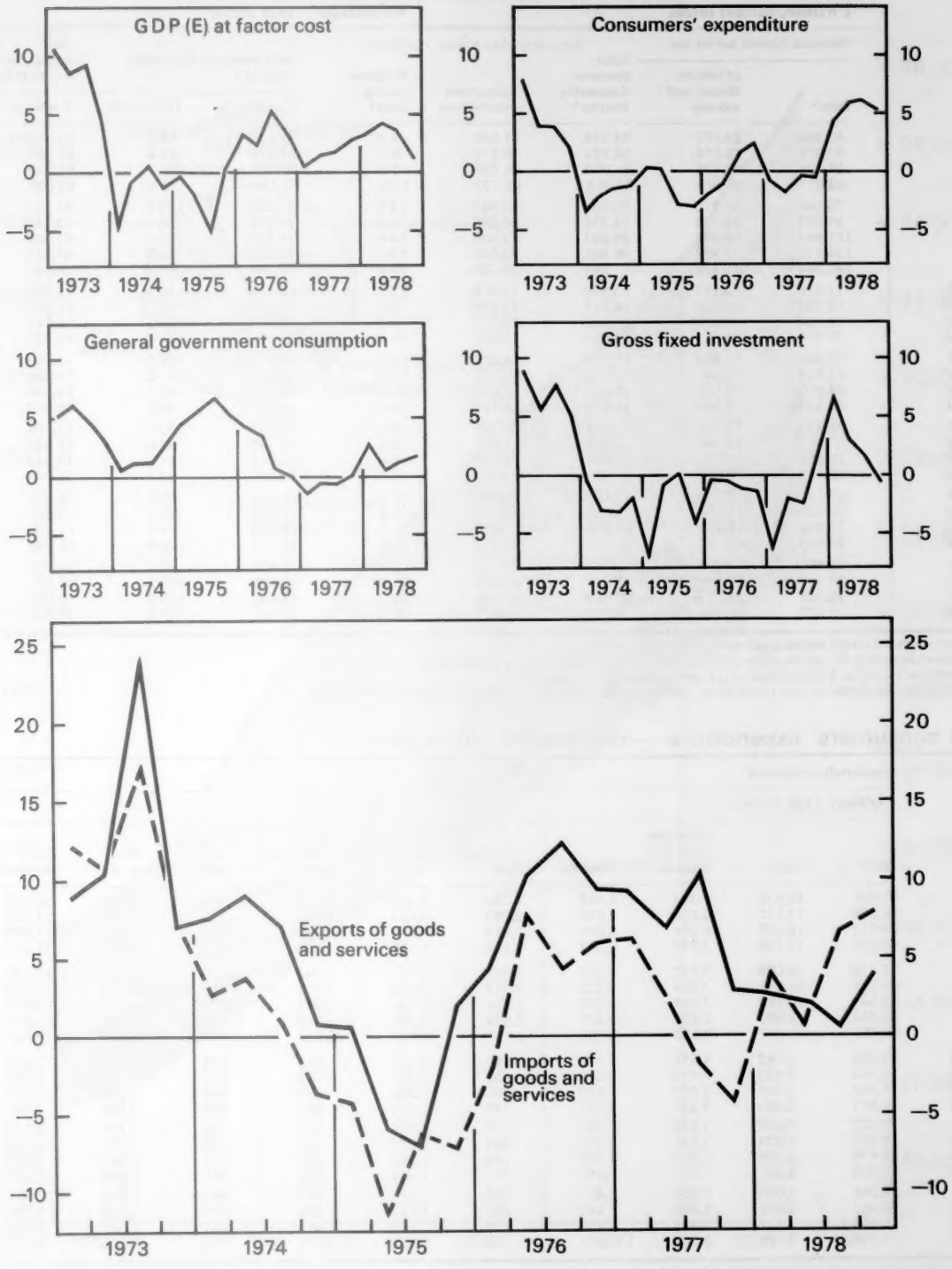
£ million, 1975 prices

	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices							
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment[2]§	Stock building§	Exports of goods and services§	Imports of goods and services[2]§	Adjustment to factor cost
1968	81,913	113,251	55,716	19,165	19,287	920	18,498	22,222	8,870
1969	83,415	115,293	56,094	18,808	19,360	951	20,321	22,936	8,838
1970	85,210	118,642	57,516	19,076	19,845	979	21,437	24,147	9,179
1971	87,242	122,187	59,295	19,642	20,209	235	23,007	25,307	9,527
1972	88,496	126,723	62,772	20,451	20,242	73	23,293	27,773	10,257
1973	95,775	137,751	65,586	21,426	21,609	2,983	26,147	31,043	10,933
1974	94,326	136,307	64,212	21,742	21,173	1,462	27,718	31,329	10,652
1975	92,720	132,201	63,385	22,962	20,536	−1,625	26,943	29,028	10,453
1976	95,979	137,024	63,540	23,464	20,395	260	29,365	30,185	10,860
1977	97,504	138,685	62,954	23,283	19,961	978	31,509	30,353	10,828
1978	100,473	143,710	66,397	23,626	20,514	962	32,211	31,793	11,444
1973 *1*	24,339	34,574	16,582	5,328	5,534	865	6,265	7,520	2,715
2	23,866	34,278	16,275	5,318	5,320	915	6,450	7,642	2,770
3	23,951	34,516	16,406	5,384	5,399	682	6,645	7,823	2,742
4	23,619	34,383	16,323	5,396	5,356	521	6,787	8,058	2,706
1974 *1*	23,169	33,617	15,993	5,376	5,534	− 29	6,743	7,725	2,723
2	23,723	34,258	15,952	5,374	5,158	749	7,025	7,928	2,607
3	24,088	34,651	16,147	5,441	5,229	719	7,115	7,905	2,658
4	23,346	33,781	16,120	5,551	5,252	23	6,835	7,771	2,664
1975 *1*	23,081	33,147	16,063	5,625	5,146	− 463	6,776	7,396	2,670
2	23,250	32,900	16,000	5,687	5,122	− 510	6,601	7,015	2,635
3	22,882	32,868	15,690	5,809	5,242[2]	− 476	6,603	7,405[2]	2,581
4	23,507	33,286	15,632	5,841	5,026	− 176	6,963	7,212	2,567
1976 *1*	23,845	33,762	15,765	5,862	5,156	− 88	7,067	7,249	2,668
2	23,761	34,045	15,834	5,901	5,107[2]	− 74	7,277	7,569[2]	2,715
3	24,113	34,543	15,934	5,856	5,177[2]	163	7,413	7,723[2]	2,707
4	24,260	34,674	16,007	5,845	4,955	259	7,608	7,644	2,770
1977 *1*	23,954	34,357	15,622	5,771	4,821	430	7,713	7,695	2,708
2	24,099	34,502	15,551	5,858	5,010[2]	293	7,790	7,757[2]	2,646
3	24,533	34,846	15,876	5,809	5,057	− 70	8,174	7,582	2,731
4	24,918	34,980	15,905	5,845	5,073	325	7,832	7,319	2,743
1978 *1*	24,709	35,577	16,296	5,923	5,151	291	7,916	8,003	2,865
2	25,131	35,775	16,487	5,887	5,161	280	7,960	7,796	2,848
3	25,411	36,380	16,858	5,873	5,147	302	8,200	8,088	2,881
4	25,222	35,978	16,756	5,943	5,055	89	8,135	7,906	2,850
		Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+3·3*	*+1·9*	*−1·9*	*+4·2*	*+0·2*	..	*+ 4·3*	*−2·0*	*−0·1*
2	*+2·2*	*+3·5*	*−1·0*	*+3·8*	*−0·3*	..	*+10·2*	*+7·9*	*+3·0*
3	*+5·4*	*+5·1*	*+1·6*	*+0·8*	*−1·2*	..	*+12·3*	*+4·3*	*+4·9*
4	*+3·2*	*+4·2*	*+2·4*	*+0·1*	*−1·4*	..	*+ 9·3*	*+6·0*	*+7·9*
1977 *1*	*+0·5*	*+1·8*	*−0·9*	*−1·6*	*−6·5*	..	*+ 9·1*	*+6·2*	*+1·5*
2	*+1·4*	*+1·3*	*−1·8*	*−0·7*	*−1·9*	..	*+ 7·0*	*+2·5*	*−2·5*
3	*+1·7*	*+0·9*	*−0·4*	*−0·8*	*−2·3*	..	*+10·3*	*−1·8*	*+0·9*
4	*+2·7*	*+0·9*	*−0·6*	—	*+2·4*	..	*+ 2·9*	*−4·3*	*−1·0*
1978 *1*	*+3·2*	*+3·6*	*+4·3*	*+2·6*	*+6·8*	..	*+ 2·6*	*+4·0*	*+5·8*
2	*+4·3*	*+3·7*	*+6·0*	*+0·5*	*+3·0*	..	*+ 2·2*	*+0·5*	*+7·6*
3	*+3·6*	*+4·4*	*+6·2*	*+1·1*	*+1·8*	..	*+ 0·3*	*+6·7*	*+5·5*
4	*+1·2*	*+2·9*	*+5·4*	*+1·7*	*−0·4*	..	*+ 3·9*	*+8·0*	*+3·9*

[1] For years up to and including 1972, totals differ from the sum of the components due to the method used to rebase on 1975 prices.

[2] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter of 1977.

1975 prices, seasonally adjusted, percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1970	43,260	26,975	34,738	31,660	8·9	63,108	84·9	57,516
1971	47,979	29,676	38,723	35,370	8·7	64,916	87·4	59,295
1972	54,486	33,136	44,504	39,889	10·4	70,034	94·3	62,772
1973	63,077	38,018	51,214	45,272	11·6	74,194	99·9	65,586
1974	76,046	45,916	60,545	51,997	14·1	74,768	100·6	64,212
1975	96,357	58,974	74,286	63,385	14·7	74,286	100·0	63,385
1976	111,847	66,932	85,884	73,464	14·5	74,282	100·0	63,540
1977	124,771	73,523	96,861	83,585	13·7	72,953	98·2	62,954
1978	141,984	83,372	111,881	95,738	14·4	77,593	104·4	66,397
1974 *1*	17,218	10,197	13,848	12,018	13·2	18,438	99·3	15,993
2	18,033	10,928	14,614	12,665	13·3	18,416	99·2	15,952
3	19,704	11,876	15,582	13,347	14·4	18,860	101·5	16,147
4	21,091	12,915	16,501	13,967	15·4	19,054	102·6	16,120
1975 *1*	22,499	13,904	17,534	14,683	16·3	19,173	103·2	16,063
2	23,534	14,347	18,262	15,727	13·9	18,570	100·0	16,000
3	24,801	15,153	18,955	16,223	14·4	18,323	98·7	15,690
4	25,523	15,570	19,535	16,752	14·2	18,220	98·1	15,632
1976 *1*	26,770	15,999	20,594	17,360	15·7	18,693	100·7	15,765
2	27,463	16,545	20,959	17,932	14·4	18,498	99·6	15,834
3	28,434	17,024	22,022	18,640	15·4	18,816	101·3	15,934
4	29,180	17,364	22,309	19,532	12·5	18,275	98·4	16,007
1977 *1*	30,121	17,746	23,100	19,810	14·3	18,216	98·1	15,622
2	30,726	18,195	23,659	20,479	13·4	17,965	96·7	15,551
3	31,334	18,483	24,410	21,496	11·9	18,028	97·1	15,876
4	32,590	19,099	25,692	21,800	15·2	18,744	100·9	15,905
1978 *1*	33,455	19,648	25,996	22,802	12·3	18,584	100·1	16,296
2	35,267	20,708	27,680	23,474	15·2	19,446	104·7	16,487
3	35,925	21,225	28,649	24,591	14·2	19,645	105·8	16,858
4	37,337	21,791	29,556	24,871	15·8	19,918	107·2	16,756

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1975=100).

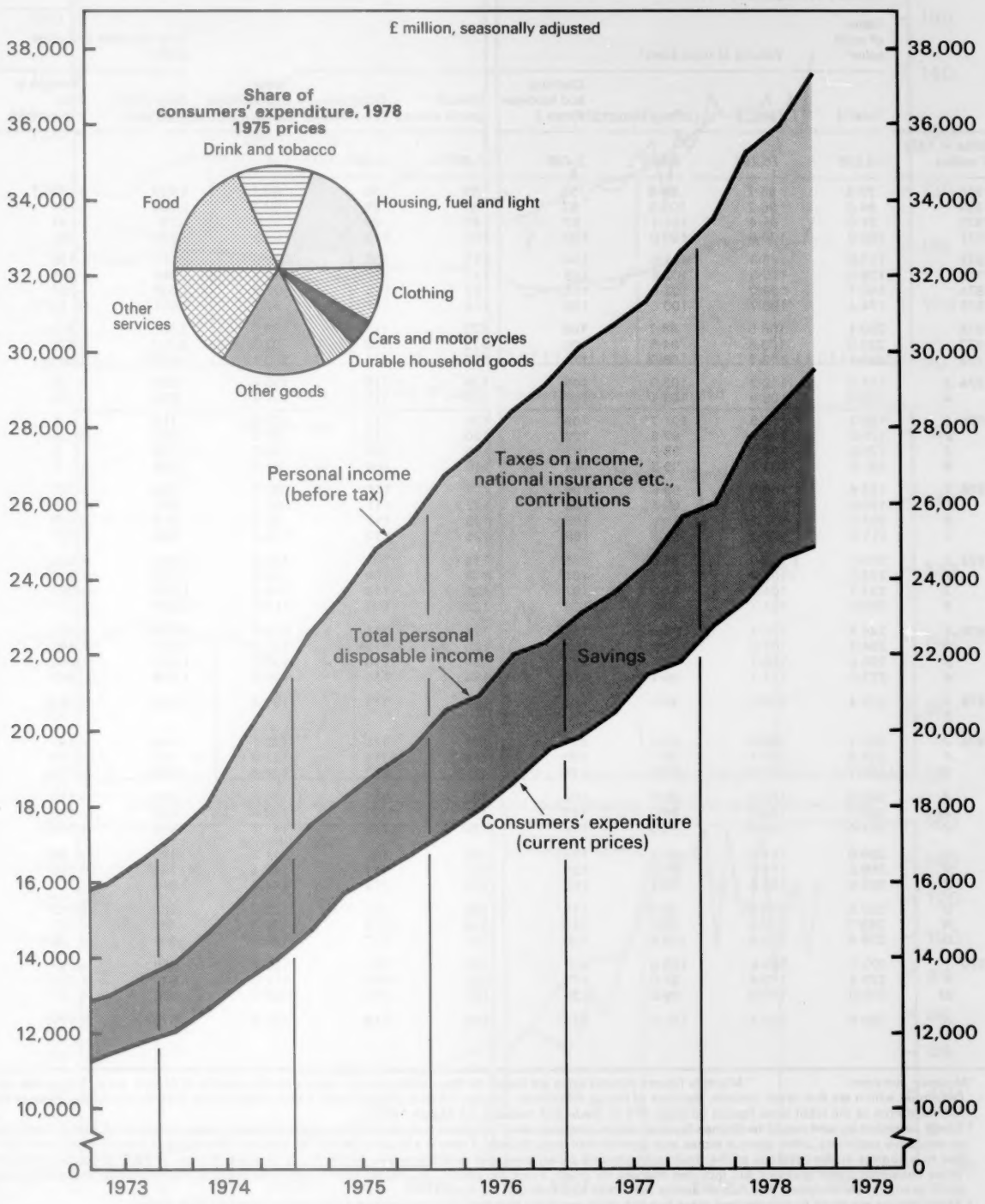
Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1975 prices

	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1970	57,516	12,072	6,374	8,488	2,782	4,635	2,229	1,759	8,683	10,810
1971	59,295	12,117	6,520	8,696	2,752	4,715	2,430	2,345	8,966	11,032
1972	62,772	12,025	6,961	8,890	2,854	4,962	2,988	2,811	9,855	11,568
1973	65,586	12,210	7,694	9,047	2,930	5,181	3,400	2,668	10,629	11,827
1974	64,212	12,099	7,777	9,107	2,983	5,107	3,241	1,731	10,647	11,520
1975	63,385	12,072	7,604	9,222	2,916	5,170	3,204	1,816	10,358	11,023
1976	63,540	12,189	7,664	9,391	2,894	5,194	3,384	1,977	10,475	10,372
1977	62,954	12,049	7,460	9,571	2,964	5,315	3,194	1,920	10,170	10,311
1978	66,397	12,312	8,063	9,783	3,019	5,840	3,529	2,492	10,518	10,841
1976 *1*	15,765	3,042	1,831	2,319	760	1,271	813	494	2,611	2,624
2	15,834	3,033	1,910	2,341	689	1,304	839	472	2,639	2,607
3	15,934	3,094	1,952	2,360	702	1,306	873	482	2,605	2,560
4	16,007	3,020	1,971	2,371	743	1,313	859	529	2,620	2,581
1977 *1*	15,622	2,949	1,818	2,367	737	1,318	787	510	2,576	2,560
2	15,551	3,024	1,831	2,387	765	1,288	771	454	2,463	2,568
3	15,876	2,995	1,898	2,400	749	1,350	819	515	2,563	2,587
4	15,905	3,081	1,913	2,417	713	1,359	817	441	2,568	2,596
1978 *1*	16,296	3,036	1,994	2,407	759	1,397	847	597	2,579	2,680
2	16,487	3,019	1,989	2,440	762	1,415	864	637	2,626	2,735
3	16,858	3,128	2,038	2,459	770	1,507	910†	684	2,658	2,704
4	16,756	3,129	2,042	2,477	728	1,521	908	574	2,655	2,722

[1] For the years prior to 1973 the total differs from the sum of the components due to the method of rebasing to 1975 prices.


£ million, seasonally adjusted
38,000
36,000
34,000
32,000
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
0
1973
1974
1975
1976
1977
1978
1979
Share of consumers' expenditure, 1978 1975 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income (before tax)
Taxes on income, national insurance etc., contributions
Total personal disposable income
Savings
Consumers' expenditure (current prices)

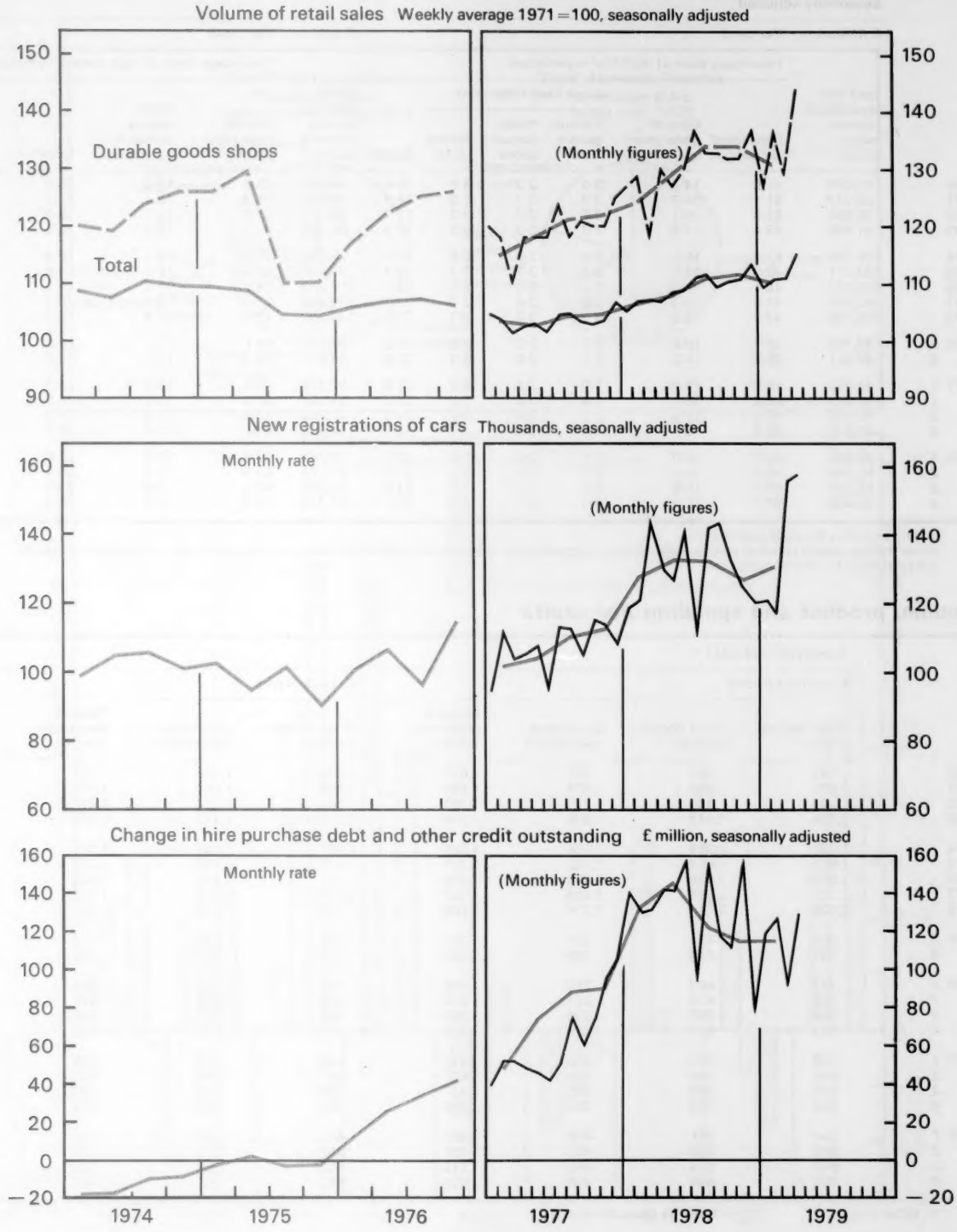
Retail sales, new registrations of cars and hire purchase debt (Great Britain)

	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other credit[3]	
	Total[4] §	Total[4] §	Food shops[4] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Changes in debt outstanding
Sales in 1971 £ million	*16,296*	*16,296*	*6,866*	*2,436*	*1,897*	*5,097*			
1968	79·3	95·7	98·9	93	89	95	93·1	1,637	+ 56
1969	84·0	96·2	100·5	93	87	95	82·3	1,584	− 11
1970	91·0	98·4	101·1	97	91	98	91·4	1,767	+ 92
1971	100·0	100·0	100·0	100	100	100	108·5	2,036	+251
1972	112·0	105·3	101·6	104	113	108	138·6	2,466	+438
1973	126·9	110·3	101·6	108	127	117	137·1	2,846	+444
1974	146·7	109·0	102·4	106	122	115	102·8	2,508	−164
1975	174·4	106·7	100·0	106	119	111	97·2	2,981	− 13
1976	200·1	106·5	98·7	106	122	111	104·7	3,586	+343
1977	228·0	103·6	94·8	105	119	109	107·1	4,392	+625
1978	260·1	109·2	98·0	114	130	114	130·1	5,998†	+1,561
1974 *3*	151·0	110·3	103·9	108	124	115	106·0	651	− 28
4	158·0	109·8	103·1	106	126	115	101·3	674	− 25
1975 *1*	165·2	109·5	101·7	109	126	114	103·0	710	− 6
2	175·0	108·5	99·9	106	130	113	94·0	752	+ 9
3	176·6	104·3	98·9	105	110	109	102·0	749	− 9
4	181·5	104·2	99·3	103	110	109	89·9	770	− 7
1976 *1*	189·6	105·9	99·5	105	117	111	100·7	833	+ 37
2	196·0	106·7	99·4	106	122	111	107·1	872	+ 79
3	203·2	107·2	99·1	106	125	112	95·5	913	+100
4	211·6	106·1	96·8	105	126	112	115·3	968	+127
1977 *1*	216·7	103·3	94·9	105	115	109	101·6	1,007	+144
2	222·0	102·4	94·4	101	118	108	103·6	1,102	+224†
3	233·7	104·2	94·3	107	121	110	110·3	1,203	+267
4	239·6	104·7	95·6	109	122	109	112·8	1,278	+274
1978 *1*	246·4	106·4	96·6	111	124	111	128·2	1,374†	+403
2	254·4	107·9	97·8	111	129	113	132·9	1,506	+443
3	266·6	110·7	98·1	117	134	116	132·5	1,542	+368
4	273·0	111·7	99·4	119	134	116	126·8	1,576	+347
1979 *1*	276·4	110·3	99·9	116	131	114	131·4	1,586	+345
2									
1978 *J*	241·7	105·3	95·4	107	127	110	119·1	463†	+141
F	246·3	106·7	96·7	109	129	111	121·0	452	+130
M	250·1	107·2	97·5	116	118	112	144·6	459	+132
A	249·8	106·9	96·6	108	130	112	130·4	498	+143
M	255·2	108·2	98·3	113	127	112	126·6	509	+142
J	257·4	108·6	98·3	111	130	113	141·7	499	+158
J	265·0	111·0	98·2	116	137	116	111·3	490	+ 96
A	269·2	111·7	97·8	121	133	118	142·4	536	+155
S	265·9	109·6	98·2	115	133	114	144·0	516	+117
O	267·9	110·2	98·3	115	132	116	133·3	508	+112
N	269·7	110·5	98·6	115	132	116	126·3	561	+157
D	279·8	113·8	100·9	126	137	117	120·9	507	+ 78
1979 *J*	273·1	109·6	103·6	109	127	111	121·1	525	+119
F	275·4	110·4	97·0	117	137	116	117·0	531	+127
M	279·8	110·8	99·3	120	129	115	156·0	530	+ 99†
A	290·6	115·4	101·6	124	144	119	157·9	572	+129
M									
J									

[1] Monthly averages. [2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses, other consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. There is a break in the series between the first and second quarters of 1977 due to a change in the coverage of the finance house and other consumer credit grantors series. Up to the first quarter of 1977 the series excludes 'other consumer credit grantors' but includes charges for credit. From the second quarter of 1977 charges for credit are excluded but 'other consumer credit grantors' are included. For further details see *Trade and Industry*, 12 April 1979.

[4] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.


Volume of retail sales Weekly average 1971 = 100, seasonally adjusted
Durable goods shops
Total
(Monthly figures)
New registrations of cars Thousands, seasonally adjusted
Monthly rate
(Monthly figures)
Change in hire purchase debt and other credit outstanding £ million, seasonally adjusted
Monthly rate
(Monthly figures)
1974
1975
1976
1977
1978
1979

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent						£ million	Per cent		
		Percentage share of total final expenditure							Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1], [2]
1970	62,099	51·0	14·4	3·9	2·7	8·6	18·5	44,832	67·8	13·2	19·0
1971	69,242	51·1	14·7	3·7	2·7	8·8	18·7	49,998	67·3	13·4	19·3
1972	76,854	51·9	15·1	3·6	2·3	9·2	17·7	56,577	67·0	13·2	19·8
1973	91,676	49·4	14·5	4·0	2·3	9·2	18·8	66,298	65·7	13·5	20·8
1974	109,748	47·4	15·1	4·0	2·6	8·8	20·9	78,725	66·9	12·1	20·9
1975	132,201	48·0	17·4	3·8	3·1	8·7	20·4	97,839	69·8	10·3	19·8
1976	159,275	46·1	16·8	3·4	2·9	8·5	22·1	114,953	68·1	11·2	20·7
1977	183,397	45·6	15·9	2·6	2·5	8·9	23·7	128,085	67·0	12·1	20·8
1978	206,400	46·4	15·8	2·2	2·3	9·7	23·0	143,853	67·6	11·6	20·7
1976 *3*	40,799	45·7	16·6	3·2	2·8	8·8	22·2	29,272	68·1	11·0	20·9
4	42,681	45·8	16·2	3·1	2·8	8·3	22·9	30,517	66·7	12·5	20·8
1977 *1*	43,492	45·6	16·0	3·0	2·6	8·3	23·6	31,326	66·2	13·1	20·7
2	45,279	45·2	16·1	2·6	2·5	9·0	23·7	31,684	67·0	12·2	20·8
3	47,050	45·7	15·8	2·5	2·6	9·0	24·3	32,259	67·0	11·8	21·2
4	47,576	45·8	15·7	2·5	2·5	9·3	23·3	32,816	67·9	11·4	20·7
1978 *1*	49,440	46·1	16·0	2·4	2·3	9·8	22·9	33,787	67·8	11·4	20·8
2	50,759	46·3	15·8	2·2	2·4	9·7	23·0	35,676	67·7	11·6	20·7
3	52,753	46·6	15·5	2·2	2·3	9·6	23·0	36,665	67·5	11·8	20·7
4	53,448	46·5	15·9	2·0	2·3	9·7	23·1	37,725	67·4	11·8	20·8

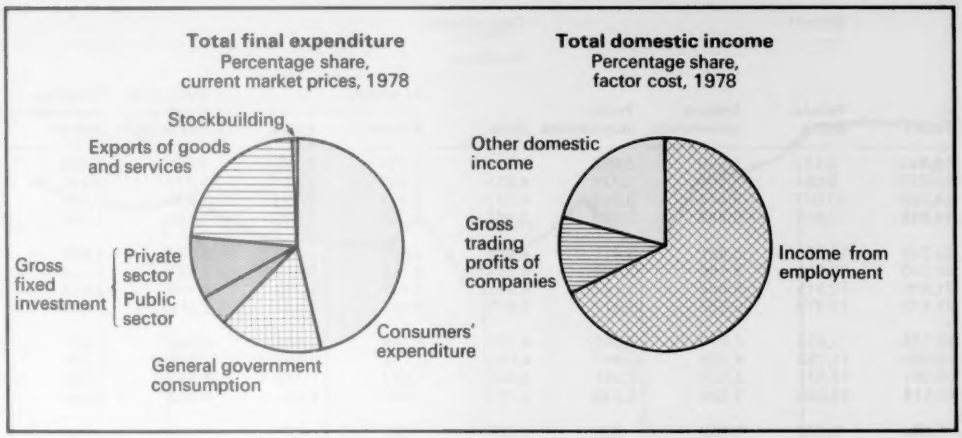
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.

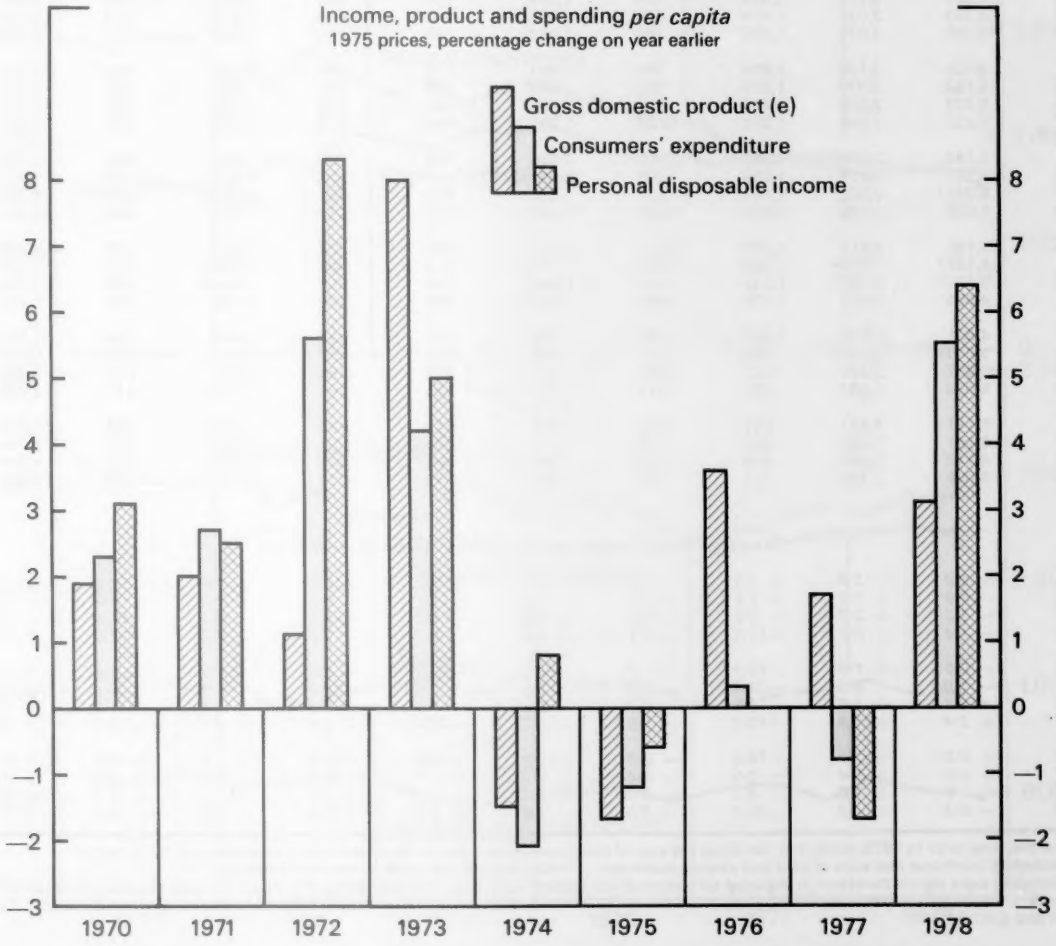
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1], [2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1], [2]	Consumers' expenditure	Personal disposable income
1970	793	782	570	626	1,535	1,036	1,137
1971	893	884	635	695	1,566	1,064	1,165
1972	994	984	714	797	1,584	1,124	1,254
1973	1,165	1,143	808	915	1,710	1,171	1,325
1974	1,342	1,319	928	1,081	1,684	1,146	1,335
1975	1,670	1,656	1,132	1,327	1,656	1,132	1,327
1976	1,978	1,954	1,313	1,535	1,715	1,135	1,327
1977	2,221	2,214	1,495	1,732	1,744	1,126	1,305
1978	2,529	2,519	1,714	2,003	1,798	1,188	1,389
1975 *3*	424	421	290	339	409	280	327
4	451	446	299	349	420	279	326
1976 *1*	467	462	310	368	426	281	334
2	483	478	321	374	425	283	330
3	504	497	333	394	431	285	336
4	524	517	349	399	433	286	327
1977 *1*	526	524	354	413	428	279	326
2	541	539	366	423	431	278	321
3	570	568	385	437	439	284	323
4	584	583	390	459	446	285	335
1978 *1*	604	601	408	465	442	291	332
2	623	620	420	496	450	295	348
3	647	644	440	513	455	302	352
4	655	654	446	529	451	300	357

[1] At factor cost.
[2] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1978
Stockbuilding
Exports of goods and services
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
General government consumption
Total domestic income
Percentage share, factor cost, 1978
Other domestic income
Gross trading profits of companies
Income from employment


Income, product and spending *per capita*
1975 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
8
7
6
5
4
3
2
1
0
—1
—2
—3
1970
1971
1972
1973
1974
1975
1976
1977
1978

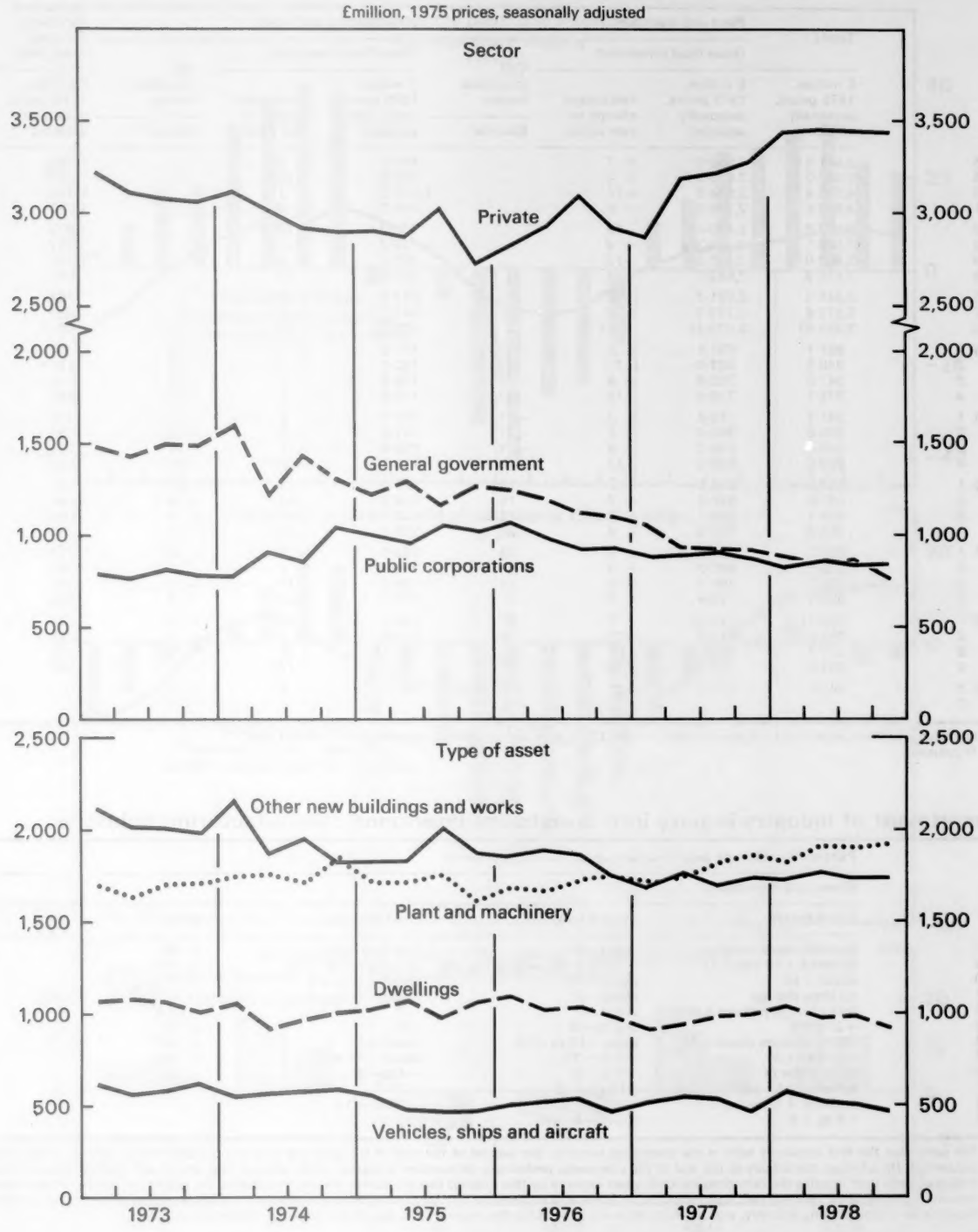
Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

	Sector[2]			Type of asset					
				Dwellings					
	Total §	Private sector	General government	Public corporations	Total	*of which:* Private	*of which:* Public	Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
1967	18,440	9,132	5,340	3,992	4,312	2,187	2,140	6,931	1,402	5,889
1968	19,287	9,984	5,608	3,726	4,515	2,285	2,243	7,279	1,730	5,891
1969	19,360	10,607	5,511	3,263	4,317	2,134	2,194	7,368	1,700	6,071
1970	19,845	10,869	5,599	3,392	3,967	2,006	1,972	7,653	1,825	6,402
1971	20,209	11,360	5,421	3,411	4,218	2,401	1,822	7,885	1,889	6,300
1972	20,240	12,001	5,195	3,002	4,443	2,748	1,692	7,745	2,155	6,006
1973	21,609	12,519	5,928	3,162	4,281	2,491	1,790	8,145	2,415	6,768
1974	21,173	11,979	5,577	3,617	3,978	2,041	1,937	7,815	2,324	7,056
1975	20,536	11,514	4,974	4,048	4,160	2,196	1,964	7,542	2,017	6,817
1976	20,395	11,752	4,696	3,947	4,152	2,112	2,040	7,360	2,043	6,840
1977	19,961	12,571	3,839	3,551	3,841	1,992	1,849	6,884	2,091	7,145
1978	20,514	13,806	3,369	3,339	3,917	2,296	1,621	6,968	2,081	7,548
1973 *1*	5,534	3,239	1,495	800	1,087	640	447	2,122	625	1,700
2	5,320	3,118	1,436	766	1,094	656	438	2,020	565	1,641
3	5,399	3,092	1,499	808	1,076	610	466	2,018	593	1,712
4	5,356	3,070	1,498	788	1,024	585	439	1,985	632	1,715
1974 *1*	5,534	3,128	1,615	791	1,063	570	493	2,156	564	1,751
2	5,158	3,030	1,219	909	929	494	435	1,887	579	1,763
3	5,229	2,926	1,439	864	981	451	530	1,952	586	1,710
4	5,252	2,895	1,304	1,053	1,005	526	479	1,820	595	1,832
1975 *1*	5,146	2,900	1,241	1,005	1,030	554	476	1,827	566	1,723
2	5,122	2,864	1,299	959	1,082	574	508	1,829	488	1,723
3	5,242[4]	3,022[4]	1,163	1,057	986	543	443	2,013[4]	483	1,760
4	5,026	2,728	1,271	1,027	1,062	525	537	1,873	480	1,611
1976 *1*	5,156	2,819	1,260	1,077	1,100	566	534	1,857	506	1,693
2	5,107[4]	2,919[4]	1,199	989	1,019	510	509	1,894[4]	522	1,672
3	5,177[4]	3,103[4]	1,137	937	1,045	544	501	1,867[4]	539	1,726
4	4,955	2,911	1,100	944	988	492	496	1,742	476	1,749
1977 *1*	4,821	2,870	1,067	884	908	421	487	1,680	518	1,715
2	5,010[4]	3,196[4]	932	882	949	492	457	1,764[4]	550	1,747
3	5,057	3,222	923	912	989	535	454	1,697	546	1,825
4	5,073	3,283	917	873	995	544	451	1,743	477	1,858
1978 *1*	5,151	3,447	889	815	1,034	614	420	1,733	564	1,820
2	5,161	3,466	843	852	970	586	384	1,762	525	1,904
3	5,147	3,449	866	832	994	551	443	1,736	516	1,901
4	5,055	3,444	771	840	919	545	374	1,737	476	1,923
	Percentage change, quarter on corresponding quarter of previous year									
1976 *1*	+ 0·2	− 2·8	+ 1·5	+ 7·2	+ 6·8	+ 2·2	+12·2	+ 1·6	−10·6	− 1·7
2	− 0·3	+ 1·9	− 7·7	+ 3·1	− 5·8	−11·1	+ 0·2	+ 3·6	+ 7·0	− 3·0
3	− 1·2	+ 2·7	− 2·2	−11·4	+ 6·0	+ 0·2	+13·1	− 7·3	+11·6	− 1·9
4	− 1·4	+ 6·7	−13·5	− 8·1	− 7·0	− 6·3	− 7·6	− 7·0	− 0·8	+ 8·6
1977 *1*	− 6·5	+ 1·8	−15·3	−17·9	−17·5	−25·6	− 8·8	− 9·5	+ 2·4	+ 1·3
2	− 1·9	+ 9·5	−22·3	−10·8	− 6·9	− 3·5	−10·2	− 6·9	+ 5·4	+ 4·5
3	− 2·3	+ 3·8	−18·8	− 2·7	− 5·4	− 1·7	− 9·4	− 9·1	+ 1·3	+ 5·7
4	+ 2·4	+12·8	−16·6	− 7·5	+ 0·7	+10·6	− 9·1	+ 0·1	+ 0·2	+ 6·2
1978 *1*	+ 6·8	+20·1	−16·7	− 7·8	+13·9	+45·8	−13·8	+ 3·2	+ 8·9	+ 6·1
2	+ 3·0	+ 8·4	− 9·5	− 3·4	+ 2·2	+19·1	−16·0	− 0·1	− 4·5	+ 9·0
3	+ 1·8	+ 7·0	− 6·2	− 8·8	+ 0·5	+ 3·0	− 2·4	+ 2·3	− 5·5	+ 4·2
4	− 0·4	+ 4·9	−15·9	− 3·8	− 7·6	+ 0·2	−17·1	− 0·3	− 0·2	+ 3·5

[1] For the years prior to 1973, totals may not equal the sum of their components, due to the method used in rebasing to 1975 prices.
[2] Including purchases *less* sales of land and existing buildings. [3] Including transfer costs of land and buildings.
[4] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter 1977.


£million, 1975 prices, seasonally adjusted
Sector
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Private
General government
Public corporations
Type of asset
Other new buildings and works
Plant and machinery
Dwellings
Vehicles, ships and aircraft
1973
1974
1975
1976
1977
1978

Indicators of fixed investment by manufacturing industry

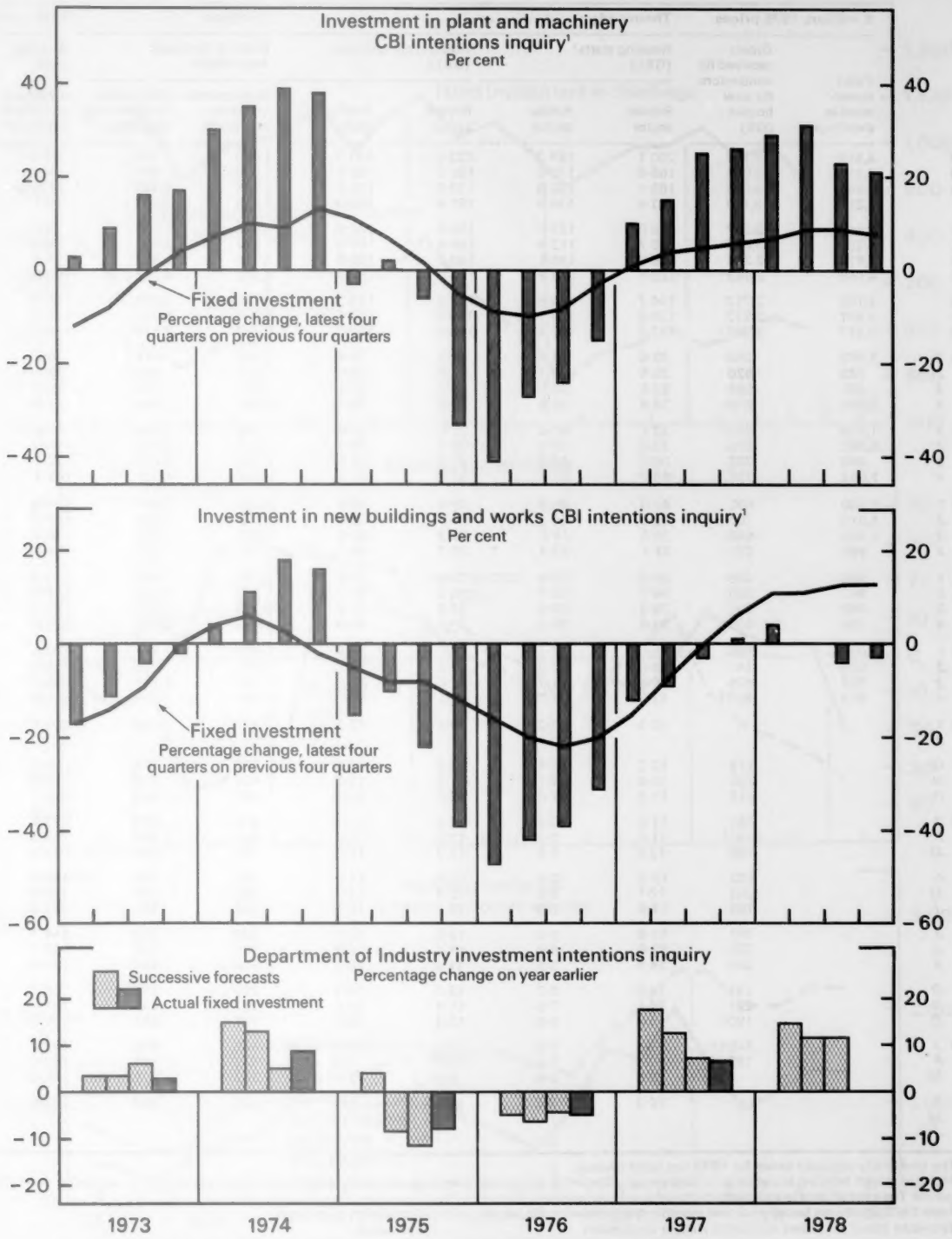
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1968	3,641·8	2,568·9	+ *7*	..	860·9	+ *5*	..	1,368
1969	3,897·7	2,679·5	+ *4*	..	994·3	+*15*	..	1,507
1970	4,196·4	2,974·2	+*11*	..	1,000·2	+ *1*	..	1,410
1971	3,922·5	2,795·3	− *6*	..	905·2	− *9*	..	1,012
1972	3,397·8	2,420·4	−*13*	..	738·0	−*18*	..	1,003
1973	3,504·1	2,505·3	+ *4*	..	738·7	—	..	1,287
1974	3,822·0	2,821·3	+*13*	..	727·1	− *2*	..	1,076
1975	3,521·9	2,682·1	− *5*	..	639·9	−*12*	..	684
1976	3,345·3	2,591·7	− *3*	..	513·9	−*20*	..	797
1977	3,572·6	2,739·7	+ *6*	..	547·1	+ *6*	..	957
1978	3,855·6†	2,973·4†	+ *9*†	..	620·3†	+*13*	..	1,056[2]
1974 *1*	951·1	691·1	+ *9*	− 3	191·6	+ *7*	−15	270
2	948·3	697·0	+*15*	2	182·1	+ *2*	−10	271
3	947·5	702·9	+ *8*	− 6	174·8	− *9*	−22	274
4	975·1	730·3	+*19*	−33	178·6	− *5*	−39	262
1975 *1*	941·7	710·7	+ *3*	−41	176·7	− *8*	−47	209
2	900·8	685·7	− *2*	−27	167·6	− *8*	−42	164
3	849·9	646·2	− *8*	−24	155·9	−*11*	−39	183
4	829·5	639·5	−*12*	−15	139·7	−*22*	−31	128
1976 *1*	813·0	624·4	−*12*	10	135·0	−*24*	−12	180
2	827·8	640·8	− *7*	15	126·3	−*25*	− 9	194
3	848·7	659·5	+ *2*	25	126·9	−*19*	− 3	193
4	855·8	667·0	+ *4*	26	125·7	−*10*	1	229
1977 *1*	851·2	653·0	+ *5*	29	128·2	− *5*	4	214
2	879·1	669·2	+ *4*	31	134·4	+ *6*	—	264
3	910·2	701·7	+ *6*	23	139·3	+*10*	− 4	244
4	932·1	715·8	+ *7*	21	145·2	+*16*	− 3	236
1978 *1*	923·1†	712·3†	+ *9*	21	142·0	+*11*	− 4	272
2	963·0	747·7	+*12*	18	146·5	+ *9*	− 7	272
3	981·7	752·3	+ *7*	13	161·7†	+*16*	−15	273
4	987·8	761·1	+ *6*†	10	170·1	+*17*†	−11	240[2]
1979 *1*	947·6	734·7	+ *3*	12	147·1	+ *4*	− 7	
2				12			− 6	

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
[2] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1968	probably some increase	about +5	less than +5	+ 6·7
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 7·0
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·5
1972	little change, perhaps a rise	about −3	−7	−13·4
1973	+2 to +5	+2 to +5	+6	+ 3·1
1974	strong increase about +15	some +12 to +14	about +5	+ 9·1
1975	less than +5	−7 to −10	about −11 or −12	− 7·9
1976	of the order of −5	−5 to −8	−4 to −5	− 5·0
1977	between +15 and +20	+10 to +15	+7	+ 6·8
1978	between +12 and +17	+10 to +13	+10 to +13	
1979	+4 to +8	+4 to +8		

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition, the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these inquiries are not included in the table.) An article, 'Investment intentions survey: a 10 year review', was published in *Trade and Industry* for 27 October 1978. In this article the table is expanded to include all the inquiries for manufacturing industry, and a similar table is included for the inquiries into the distributive and service industries.

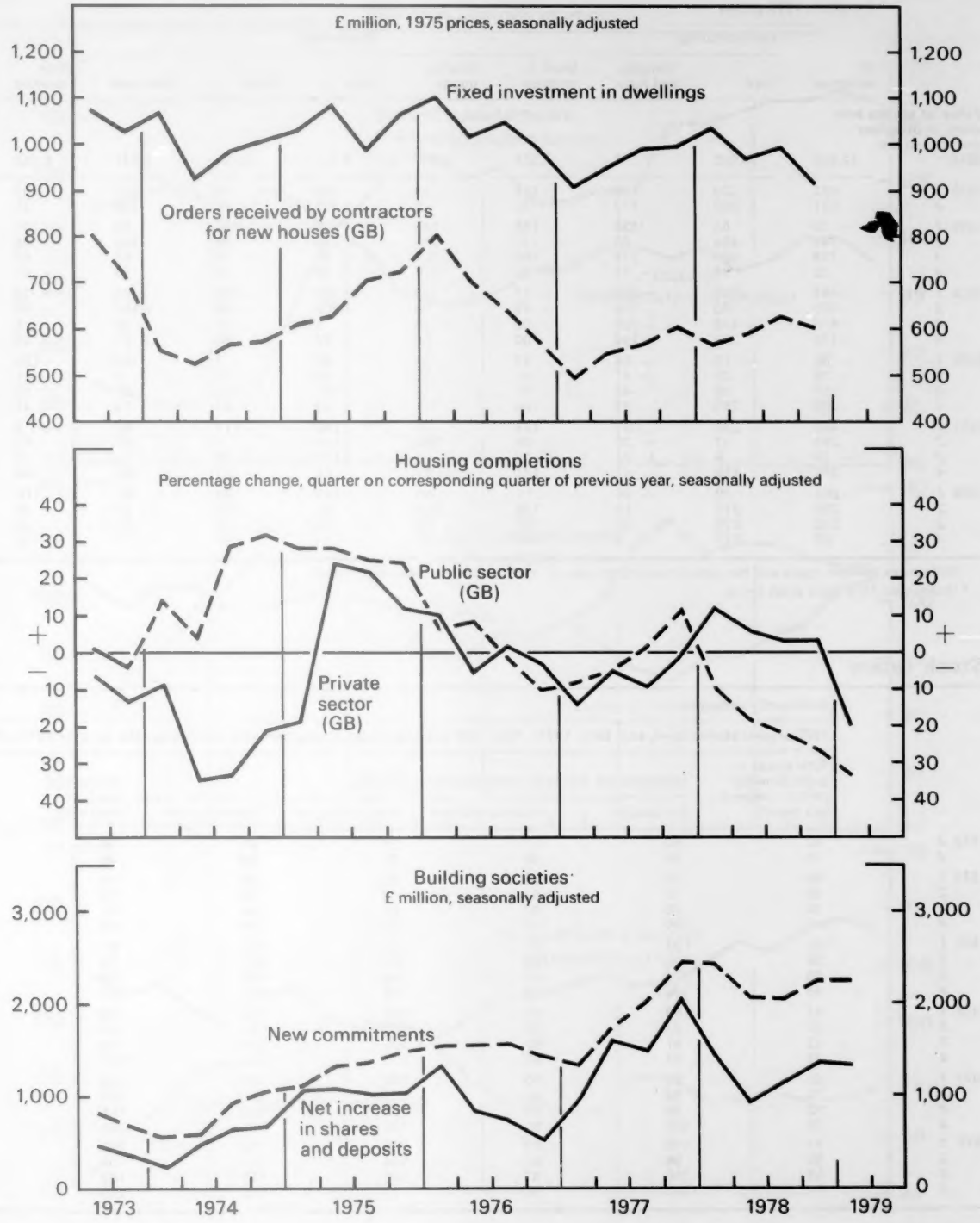


[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1975 prices		Thousands				£ million		1975 =100
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Housing starts[1] (GB) §		Housing completions[1] (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved[2]
			Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	
1968	4,515	3,787	200·1	194·3	222·0	191·7	1,480	767	37·4
1969	4,317	3,064	166·8	176·6	181·7	185·1	1,580	895	39·3
1970	3,967	3,093	165·1	153·8	170·3	180·1	2,188	1,490	41·8
1971	4,218	3,147	207·4	136·9	191·6	158·9	3,013	2,034	48·1
1972	4,443	3,507	228·0	123·0	196·5	122·8	3,802	2,193	63·3
1973	4,281	3,320	215·7	112·8	186·6	107·5	3,254	2,162	86·2
1974	3,978	2,224	105·9	146·1	140·9	128·6	3,115	1,993	91·4
1975	4,160	2,663	149·1	173·8	150·8	162·3	5,302	4,172	100·0[3]
1976	4,152	2,712	154·7	170·8	152·2	163·0	6,089	3,405	108·4
1977	3,841	2,212	134·8	132·1	140·3	162·5	7,524	6,099	119·0
1978	3,917	2,380[5]	157·3	107·4	148·6	130·7	8,710	4,879	142·6
1974 *1*	1,063	553	33·8	34·1	44·3	29·5	533	218	90·5
2	929	526	25·8	39·7	31·9	30·8	598	455	90·0
3	981	568	22·5	36·5	30·9	33·9	931	634	92·3
4	1,005	578	23·8	35·8	33·8	34·4	1,053	685	92·6
1975 *1*	1,030	610	33·1	41·4	35·8	37·8	1,119	1,054	95·3
2	1,082	625	37·4	37·8	39·6	39·3	1,311	1,085	100·0
3	986	702	38·0	43·9	37·6	42·5	1,373	1,012	102·1
4	1,062	726	40·6	50·7	37·8	42·7	1,499	1,021	102·7
1976 *1*	1,100	801	42·0	49·8	39·4	40·6	1,537	1,341	104·3
2	1,019	700	42·0	44·3	37·8	42·4	1,552	824	107·9
3	1,045	640	39·3	44·3	38·3	41·5	1,581	727	110·3
4	988	572	31·4	32·4	36·7	38·5	1,419	513	111·5
1977 *1*	908	496	29·9	30·3	33·7	37·5	1,337	963	112·7
2	949	548	34·7	32·7	35·8	40·3	1,743	1,599	116·6
3	989	567	35·3	34·6	34·8	41·8	2,018	1,487	120·5
4	995	601	34·9	34·5	36·0	42·9	2,426	2,050	124·5
1978 *1*	1,034	565	35·5	27·2	37·8	33·8	2,402	1,415	130·5
2	970	587	39·6	30·0	37·9	33·1	2,050	915	138·0
3	994	625	38·3	26·0	35·8	32·4	2,030	1,168	148·2
4	919	603[5]	43·9	24·2	37·1	31·4	2,228	1,381	157·6
1979 *1*			26·3	17·2	30·2	22·2	2,231	1,335	166·1
2									
1977 *O*	..	179	12·3	12·4	12·3	14·9	775	676	123·1
N	..	206	10·8	11·1	11·3	13·7	809	709	124·5
D	..	216	11·8	11·0	12·4	14·3	842	665	126·1
1978 *J*	..	189	11·6	10·5	12·9	11·7	813	525	128·5
F	..	189	11·6	7·8	12·2	10·9	823	441	129·2
M	..	188	12·3	8·9	12·7	11·2	766	449	133·5
A	..	183	12·9	10·3	12·4	11·0	720	299	135·8
M	..	205	12·1	9·8	12·4	11·2	686	300	136·9
J	..	198	14·6	9·9	13·1	10·9	644	316	141·5
J	..	191	11·8	9·5	12·5	12·0	635	350	144·7
A	..	225	11·6	8·0	11·4	10·2	685	362	148·7
S	..	209	14·9	8·5	11·9	10·2	710	456	151·2
O	..	191	14·5	8·7	12·2	10·3	720	436	154·7
N	..	221	14·1	7·5	11·5	10·5	717	441	157·4
D	..	190[5]	15·3	8·0	13·4	10·6	791	504	161·2
1979 *J*	..	145[4,5]	7·4	4·8	10·2	6·9	788	502	162·2
F	..	160[4,5]	10·4	5·8	10·9	7·6	731	361	167·0
M	..		8·5	6·6	9·1	7·7	712	472	168·8†
A	..		10·0	7·2	10·8	8·3	722	353	173·9
M	..								
J	..								

[1] The seasonally adjusted series for 1978 has been revised.
[2] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[3] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.
[4] Estimates based on orders reported by major contractors
[5] Provisional.


£ million, 1975 prices, seasonally adjusted
1,200
1,100
1,000
900
800
700
600
500
400
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
40
30
20
10
+
0
—
10
20
30
40
Public sector (GB)
Private sector (GB)
Building societies
£ million, seasonally adjusted
3,000
2,000
1,000
0
New commitments
Net increase in shares and deposits
1973
1974
1975
1976
1977
1978
1979

Stock changes

Seasonally adjusted

£ million, 1975 prices

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December									
1977[2]	34,469	19,995	7,277	7,321	5,397	7,722	3,181	4,541	6,752
1973 *3*	682	330	192	158	— 19	195	75	120	157
4	521	269	172	92	6	221	96	125	31
1974 *1*	— 29	54	336	—138	—145	25	— 63	88	—108
2	749	454	63	147	243	209	53	156	86
3	719	685	274	108	304	— 33	— 94	61	67
4	23	94	— 15	— 65	175	— 20	— 76	56	— 51
1975 *1*	—463	—258	—292	— 77	109	—189	—105	— 84	— 16
2	—510	—230	—156	— 45	— 28	—202	— 95	—107	— 78
3	—476	—476	—338	— 90	— 48	— 5	40	— 45	5
4	—176	—257	—140	— 60	— 57	49	60	— 11	32
1976 *1*	— 88	— 13	— 88	42	34	50	7	43	—125
2	— 74	— 29	— 47	38	— 20	— 76	— 67	— 9	31
3	163	99	48	37	14	127	46	81	— 63
4	259	259	23	104	131	43	27	16	— 43
1977 *1*	430	234	92	123	21	199	117	82	— 3
2	293	97	— 38	— 69	204	184	4	180	12
3	— 70	— 5	— 23	— 33	50	—139	— 59	— 80	74
4	325	116	— 47	174	— 11	51	— 33	84	158
1978 *1*	291	38	— 26	17	48	143	62	81	110
2	280	272	— 15	128	158	66	128	— 62	— 58
3	302	175	20	102	52	99	54	45	28
4	89	111	9	199	— 97	10	89	— 79	— 32

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

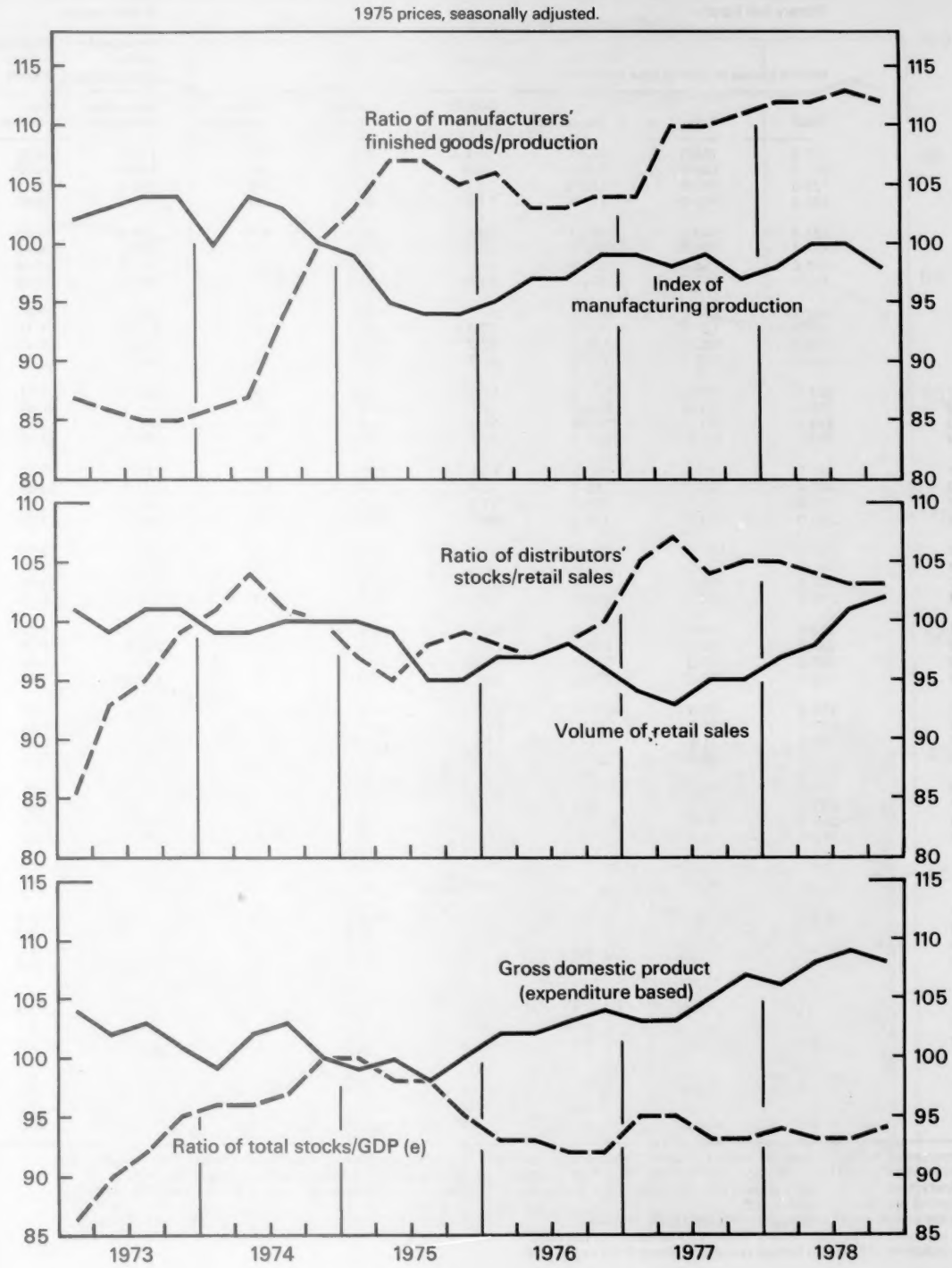
[2] Unadjusted 1975 price stock levels.

Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (e), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1973 *3*	92	89	86	94	85	95
4	95	90	88	95	85	99
1974 *1*	96	94	96	98	86	101
2	96	92	93	96	87	104
3	97	96	97	98	94	101
4	100	100	100	100	100	100
1975 *1*	100	100	97	100	103	97
2	98	103	100	104	107	95
3	98	102	97	103	107	98
4	95	100	94	102	105	99
1976 *1*	93	99	93	102	106	98
2	93	97	90	100	103	97
3	92	97	90	101	103	98
4	92	97	89	101	104	100
1977 *1*	95	98	90	102	104	105
2	95	99	91	102	110	107
3	93	99	90	101	110	104
4	93	100	90	105	111	105
1978 *1*	94	100	89	105	112	105
2	93	99	87	104	112	104
3	93	100	87	105	113	103
4	94	102	90	111	112	103

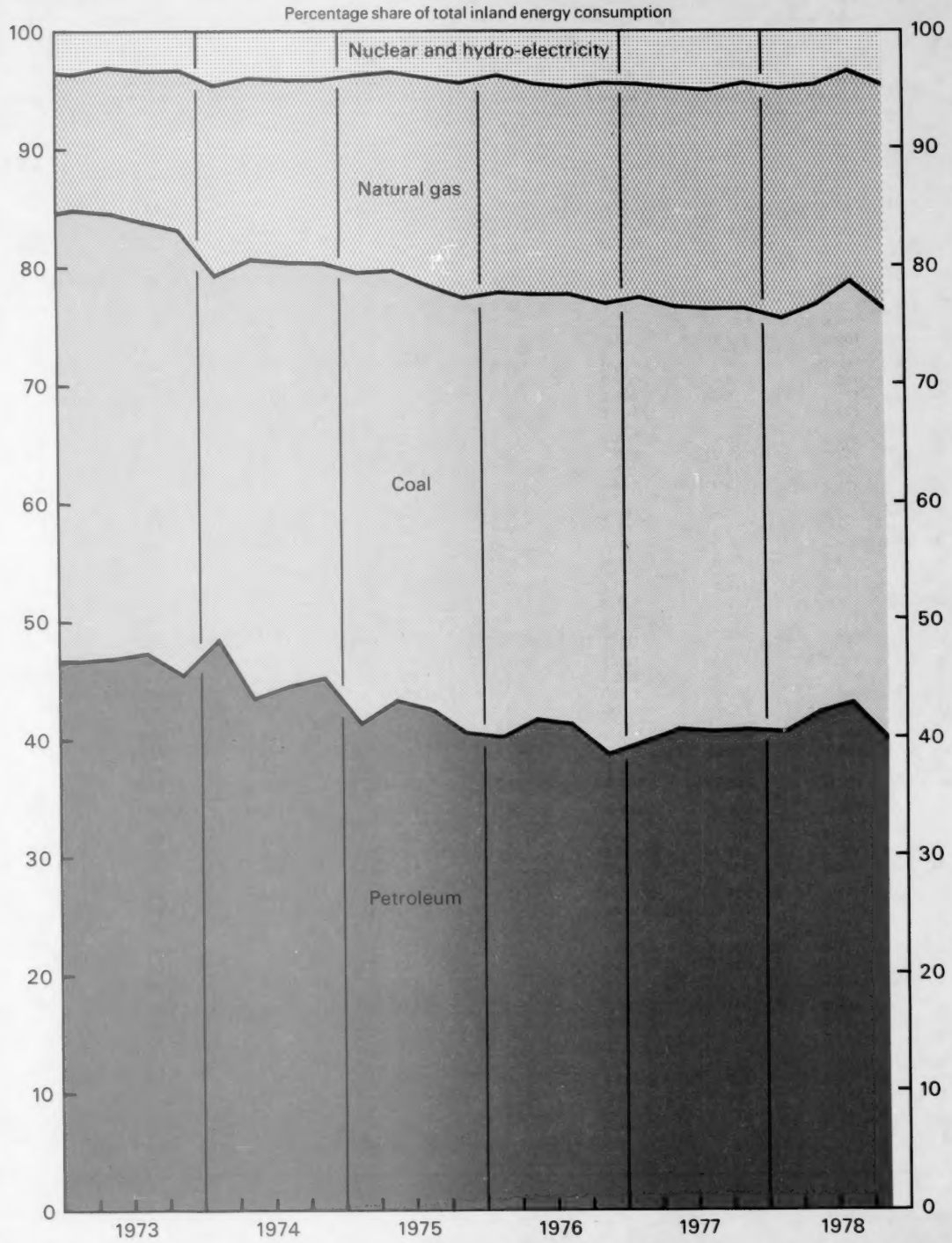

1975 prices, seasonally adjusted.
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
115
110
105
100
95
90
85
80
1973
1974
1975
1976
1977
1978

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tonnes of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1967	303·2	166·3	123·1	2·1	9·0	2·7	177·8	4·37
1968	312·9	166·7	129·2	4·8	10·2	2·0	193·6	4·88
1969	323·0	162·8	138·4	9·4	10·7	1·7	200·5	5·40
1970	336·3	156·8	149·8	17·8	9·5	2·4	211·6	6·30
1971	332·9	140·0	152·4	28·8	9·9	1·8	215·9	8·25
1972	337·4	121·8	162·2	41·0	10·6	1·8	224·1	10·82
1973	354·2	133·2	164·5	44·4	10·1	2·0	241·0	12·04
1974	337·9	117·7	153·1	52·9	12·1	2·1	235·5	13·53
1975	326·9	120·6	137·1	56·3	10·9	2·0	234·2	13·90
1976	331·5	123·0	134·2	59·5	12·9	1·9	236·7	14·41
1977	338·2	122·4	136·8	62·7	14·3	2·0	240·2	15·42
1978	338·0	119·2	139·2	64·1	13·4	2·1	246·7	15·71
1973 *1*	350·1	134·5	162·8	40·0	10·9	1·9	243·2	11·51
2	355·4	134·6	165·8	43·7	9·3	2·0	241·3	11·69
3	358·7	131·3	169·2	45·8	10·2	2·2	241·3	12·19
4	352·5	132·4	160·3	48·1	9·9	1·8	238·3	12·79
1974 *1*	311·5	96·3	150·8	50·1	11·5	2·8	216·3	13·20
2	342·4	126·7	149·4	52·6	12·4	1·3	237·1	13·49
3	350·9	125·9	155·8	54·9	12·3	2·0	244·2	13·66
4	346·9	122·0	156·3	54·1	12·1	2·4	244·3	13·78
1975 *1*	331·1	127·2	136·8	54·2	10·8	2·1	236·2	13·73
2	331·4	121·2	143·0	55·2	10·4	1·6	237·3	13·71
3	326·4	116·9	139·2	57·4	10·8	2·1	234·7	13·97
4	318·9	117·2	129·2	58·5	12·0	2·0	228·5	14·17
1976 *1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9	14·27
2	334·6	120·8	139·5	59·2	12·5	2·6	240·4	14·36
3	330·9	120·5	136·7	57·6	14·6	1·5	244·3	14·46
4	328·0	125·2	126·8	61·0	13·4	1·6	231·4	14·56
1977 *1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9	14·95
2	337·7	121·1	137·7	62·0	14·5	2·4	242·9	15·32
3	340·5	121·6	138·1	63·4	15·7	1·7	248·3	15·58
4	337·5	120·4	137·3	64·3	13·1	2·4	231·9	15·81
1978 *1*	331·7	116·4	134·4	64·5	14·6	1·8	237·3	15·71
2	340·9	118·4	143·7	63·4	13·3	2·1	248·6	15·81
3	336·8	117·2	144·4	60·1	13·2	1·9	255·0	15·98
4	343·6	125·0	137·2	66·4	12·5	2·5	245·7	15·90
	Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+ 0·4*	*− 1·3*	*− 2·2*	*+11·4*	*+ 0·9*	*− 9·5*	*− 2·2*	*+ 3·9*
2	*+ 1·0*	*− 0·3*	*− 2·5*	*+ 7·2*	*+20·2*	*+62·5*	*+ 1·3*	*+ 4·7*
3	*+ 1·4*	*+ 3·1*	*− 1·8*	*+ 0·3*	*+35·2*	*−28·6*	*+ 4·1*	*+ 3·5*
4	*+ 2·9*	*+ 6·8*	*− 1·9*	*+ 4·3*	*+11·7*	*−20·5*	*+ 1·3*	*+ 2·8*
1977 *1*	*+ 1·3*	*+ 0·6*	*—*	*+ 1·2*	*+27·5*	*−15·8*	*+ 3·0*	*+ 4·8*
2	*+ 0·9*	*+ 0·2*	*− 1·3*	*+ 4·7*	*+16·0*	*− 7·7*	*+ 1·0*	*+ 6·7*
3	*+ 2·9*	*+ 0·9*	*+ 1·0*	*+10·1*	*+ 7·5*	*+13·3*	*+ 1·6*	*+ 7·7*
4	*+ 2·9*	*− 3·8*	*+ 8·3*	*+ 5·4*	*− 2·2*	*+50·0*	*+ 0·2*	*+ 8·6*
1978 *1*	*− 1·6*	*− 7·8*	*+ 0·2*	*+ 5·6*	*+ 5·0*	*+12·5*	*− 0·2*	*+ 5·1*
2	*+ 0·9*	*− 2·4*	*+ 4·4*	*+ 2·0*	*− 8·8*	*−11·4*	*+ 2·3*	*+ 3·2*
3	*− 1·1*	*− 3·6*	*+ 4·6*	*− 5·2*	*−15·9*	*+11·8*	*+ 2·7*	*+ 2·6*
4	*+ 1·8*	*+ 3·8*	*− 0·1*	*+ 3·3*	*− 4·6*	*+ 4·2*	*+ 6·0*	*+ 0·6*

[1] Converted to metric tonnes. Temperature correction has been introduced for natural gas. Details are given in *Energy Trends,* May 1978.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or re-injected.
[5] Nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1973
1974
1975
1976
1977
1978

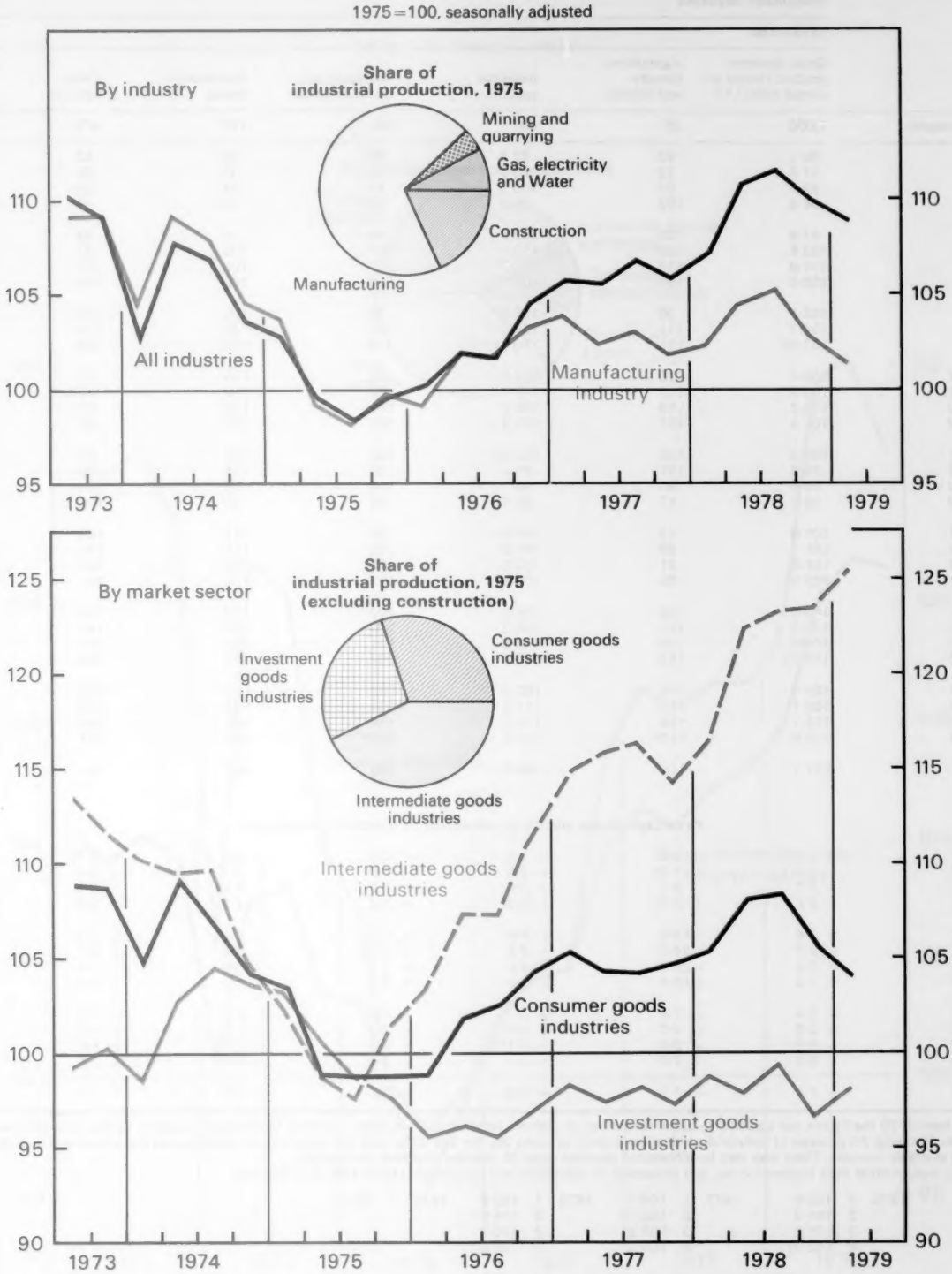
Index of industrial production

Seasonally adjusted

1975=100

	By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1975 weights	*1,000*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1968	97·0	132·4	94·1	114·4	77·0	86·9	90·6	100·7
1969	99·6	123·9	97·6	113·5	80·9	89·4	95·7	102·9
1970	99·7	119·1	98·0	111·4	84·1	91·0	95·6	102·9
1971	99·8	119·1	97·4	113·3	87·3	93·3	93·7	102·1
1972	102·0	100·2	100·0	115·4	93·6	99·9	91·2	104·1
1973	109·5	110·1	108·3	118·2	99·3	108·0	99·0	112·6
1974	105·1	89·9	106·5	105·8	99·2	106·1	102·1	106·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	125·8	101·4	98·6	102·9	101·9	96·1	107·5
1977	105·8	187·7	102·8	98·2	107·0	104·6	97·9	115·4
1978	109·8	232·4†	103·6	105·7†	110·3†	106·8	98·2†	121·4†
1973 *1*	109·2	115·1	106·9	121·4	98·2	106·2	98·4	111·6
2	109·7	114·7	108·2	118·3	100·1	108·4	98·0	113·4
3	110·1	113·0	109·1	118·0	98·7	108·8	99·3	113·6
4	109·0	97·6	109·2	115·0	100·1	108·7	100·3	111·7
1974 *1*	102·6	59·4	104·5	109·9†	92·0	104·8	97·5	100·2
2	107·6	98·2	109·1	108·1	98·6	109·0	102·9	109·5
3	106·9	102·2	108·0	105·2	103·1	106·6	104·5	109·6
4	103·5	99·8	104·6	100·2	102·9	104·1	103·6	104·9
1975 *1*	102·6	95·5	103·8	100·7	99·3	103·5	103·3	102·4
2	99·5	98·2	99·2	100·4	100·6	98·9	100·6	98·8
3	98·4	98·3	98·1	99·6	98·4	98·8	98·6	97·5
4	99·5	108·0	98·8	99·3	101·7	98·8	97·6	101·3
1976 *1*	100·1	110·1	99·1	100·2	103·5	98·9	95·7	103·4
2	101·8	120·0	101·7	97·8	102·4	101·8	96·2	107·4
3	101·6	125·9	101·7	96·5	100·3	102·5	95·6	107·4
4	104·5	147·3	103·2	100·0	105·2	104·3	97·0	111·6
1977 *1*	105·6	174·7	103·9	96·3	106·3	105·3	98·3	114·8
2	105·5	190·1	102·4	96·9	108·6	104·3	97·5	115·9
3	106·2	190·3	103·0	98·8	107·8	104·2	98·3	116·4
4	105·8	195·8	101·8	101·0	105·5	104·7	97·4	114·3
1978 *1*	107·0	209·6	102·3†	101·9	107·7†	105·3†	98·8	116·4†
2	110·7†	228·8†	104·5	107·3	111·9	108·1	97·8†	122·4
3	111·5	236·3	105·2	107·2	112·7	108·3	99·5	123·3
4	110·0	255·0	102·6	106·3	108·8	105·5	96·6	123·5
1979 *1*	108·9	274·3	101·4	96[3]†	117·5	104·0	98·2	125·6
1978 *J*	106·9	207	102·3	..	107	106	99	116
F	107·3	216	102·0†	..	110†	105	99	118
M	106·8	206	102·5	..	105	105	99	116
A	111·0†	221	105·1	..	115	108	98	123
M	110·0	231†	103·5	..	111	107	98	121
J	111·1	234	104·9	..	110	108	98	123
J	111·6	236	105·1	..	115	107†	100	125†
A	112·1	238	106·0	..	113	110	100	123
S	110·8	236	104·4	..	110	108	98†	122
O	108·8	241	101·7	..	108	105	96	121
N	109·8	260	102·5	..	105	106	96	123
D	111·5	264	103·7	..	114	106	98	126
1979 *J*	103·4	278	93·4	..	117	99	92	117
F	110·7	282	103·5	..	118	104†	100	129
M	112·5	264	107·3	..	118	108	103	130
A	115·0	277	106·8	..	117	108	103	131
M								
J								

[1] All industries other than construction.
[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.
[3] Preliminary estimate.


1975=100, seasonally adjusted
By industry
Share of industrial production, 1975
Mining and quarrying
Gas, electricity and Water
Construction
Manufacturing
All industries
Manufacturing industry
110
105
100
95
1973
1974
1975
1976
1977
1978
1979
By market sector
Share of industrial production, 1975 (excluding construction)
Consumer goods industries
Investment goods industries
Intermediate goods industries
Intermediate goods industries
Consumer goods industries
Investment goods industries
125
120
115
110
105
100
95
90

Index numbers of output

Seasonally adjusted

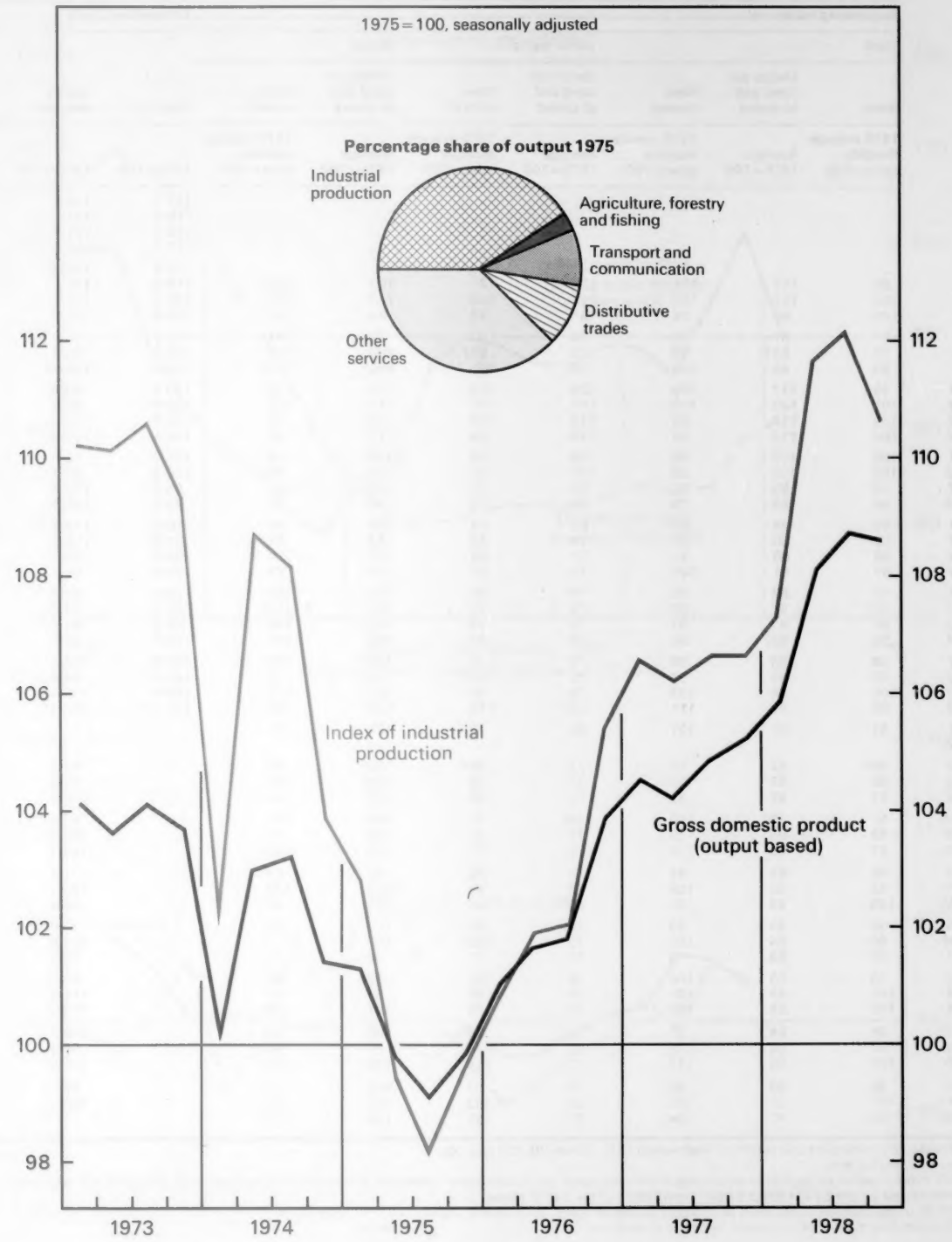
1975=100

	Gross domestic product (based on output data)[1,2] §	Agriculture, forestry and fishing	Industrial production[1] §	Transport and communication	Distributive trades	Other services
1975 weights	*1,000*	*28*	*407*	*88*	*101*	*376*
1968	90·1	92	97·3	80	90	85
1969	91·9	92	99·9	84	91	85
1970	93·4	97	100·1	87	93	88
1971	94·8	102	99·8	89	94	90
1972	97·8	106	101·8	94	99	93
1973	103·8	109	110·1	101	106	97
1974	101·9	110	105·7	101	103	97
1975	100·0	100	100·0	100	100	100
1976	102·1	93	102·5	99	101	103
1977	104·7	111	106·5	101	99	104
1978	107·8†	116	110·4†	104	104	106
1974 *1*	100·1	110	102·0	100	103	97
2	103·0	112	108·7	102	102	97
3	103·2	110	108·2	101	104	97†
4	101·4	107	103·9	101	103	98
1975 *1*	101·3	103	102·8†	102	103	99
2	99·8	101	99·4	100	101	100
3	99·1	99	98·1	100	98	100
4	99·8	97	99·6	98	98	101
1976 *1*	101·0	93	100·9	98	101	103
2	101·7	89	101·9	98	101	104
3	101·8	91	102·0	99	102	103
4	103·9	98	105·4	101	101	104
1977 *1*	104·5	106	106·5	102	100	104
2	104·2	111	106·2	100	98	104
3	104·8	114	106·6	101	100	104
4	105·2†	114	106·6	102	100	105
1978 *1*	105·9	114	107·3	102	102	106
2	108·1	116	111·6	104	103	106
3	108·7	116	112·1	104	106	106
4	108·6	116†	110·6	105†	107	107
1979 *1*	107·7	116	109·3	103	106	107
	Percentage change, quarter on corresponding quarter of previous year					
1976 *1*	*− 0·2†*	*− 9·8*	*− 1·9*	*− 3·6*	*− 2·0*	*+ 3·8†*
2	*+ 1·9*	*−11·9†*	*+ 2·5*	*− 1·8†*	*+ 0·1*	*+ 3·8*
3	*+ 2·7*	*− 8·2*	*+ 3·9*	*− 1·3*	*+ 3·8*	*+ 3·0*
4	*+ 4·1*	*+ 0·7*	*+ 5·9*	*+ 2·4*	*+ 3·1*	*+ 3·0*
1977 *1*	*+ 3·4*	*+13·8*	*+ 5·6*	*+ 4·2*	*− 0·9*	*+ 1·3*
2	*+ 2·4*	*+24·6*	*+ 4·3*	*+ 2·0*	*− 3·2*	*+ 0·5*
3	*+ 2·9*	*+25·8*	*+ 4·6*	*+ 2·3*	*− 1·8*	*+ 1·0*
4	*+ 1·2*	*+16·9*	*+ 1·1*	*+ 0·9*	*− 1·2*	*+ 1·0*
1978 *1*	*+ 1·4*	*+ 7·9*	*+ 0·7*	*+ 0·3*	*+ 2·1†*	*+ 1·6*
2	*+ 3·8*	*+ 4·5*	*+ 5·0*	*+ 3·8*	*+ 5·7*	*+ 1·8*
3	*+ 3·7*	*+ 2·0*	*+ 5·1†*	*+ 2·9*	*+ 5·9*	*+ 1·9*
4	*+ 3·3*	*+ 1·9*	*+ 3·7*	*+ 3·9*	*+ 6·4*	*+ 2·1*
1979 *1*	*+ 1·7*	*+ 1·5*	*+ 1·9*	*+ 0·7*	*+ 4·6*	*+ 1·1*

[1] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[2] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1* 100·8	1977	*1* 103·1	1978	*1* 103·9	1979	*1* 104·6	
	2 101·3		*2* 102·5†		*2* 105·8†			
	3 101·3		*3* 103·2		*3* 106·3			
	4 102·9†		*4* 103·4		*4* 105·9			

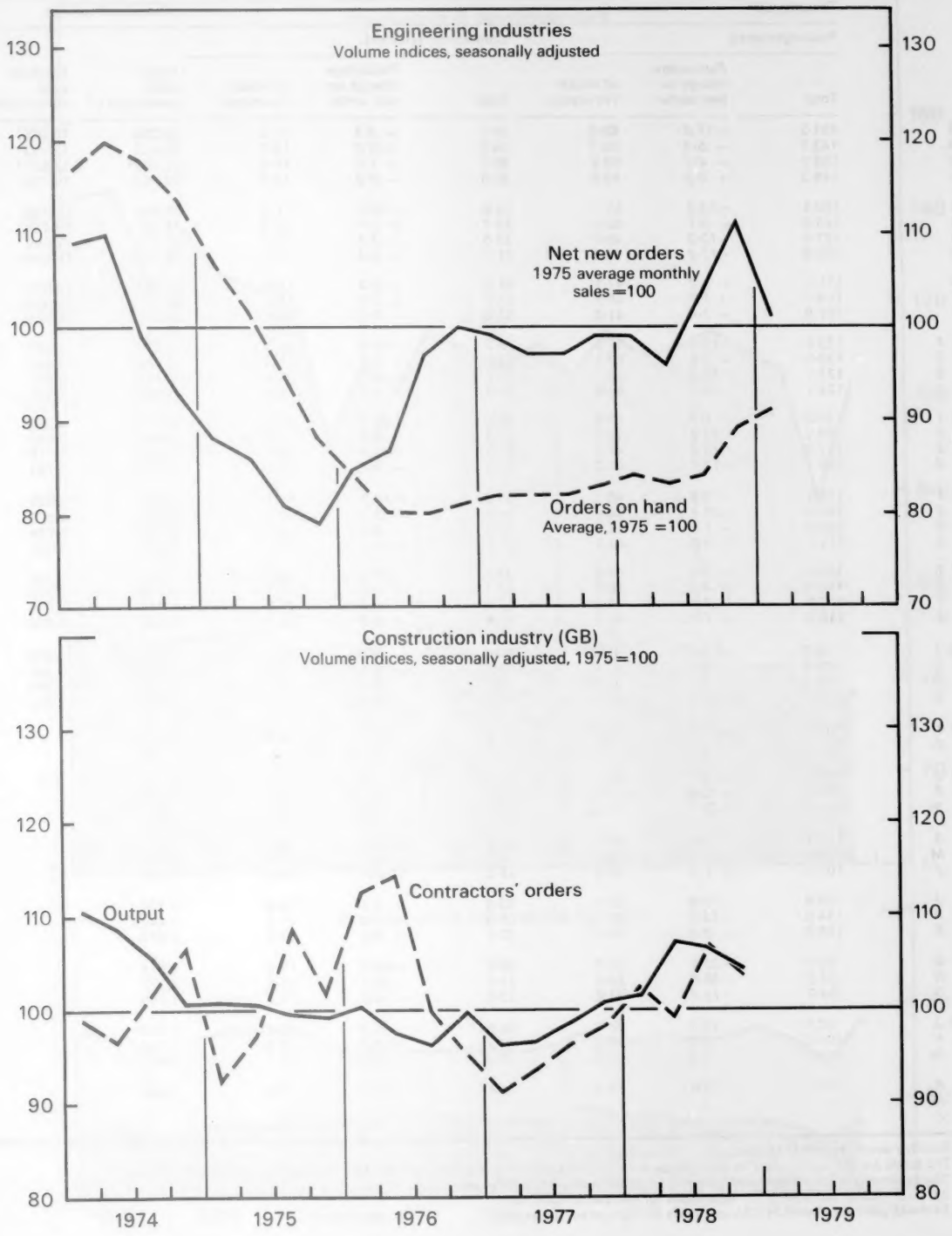

1975 = 100, seasonally adjusted
Percentage share of output 1975
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
112
110
108
106
104
102
100
98
Index of industrial production
Gross domestic product (output based)
1973
1974
1975
1976
1977
1978

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3, 4]	Orders received
	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	1975=100	1975=100
1968	..	..	..	..	..	..	..	117·9	142·4
1969	..	..	..	..	..	..	..	118·6	133·7
1970	..	..	..	..	..	..	..	115·2	131·1
1971	..	..	..	..	..	..	..	116·2	139·2
1972	..	..	..	..	..	..	..	116·9	146·3
1973	99	113	116	120	121	100	105†	118·6	141·4
1974	102	114	103	115	102	112	106	106·3	101·1
1975	100	88	84	87	83	90	84	100·0	100·0
1976	97	81	92	74	87	94	104	98·5	105·5
1977	97	83†	98	75	93†	100	109	98·0	94·6
1978[6]	99	89	102	83†	101	100†	106†	104·9[6]	102·9[6]
1974 *1*	98	117	109	120	103	111	122	110·4	98·9
2	102	120	110	121	107	117	115	108·7	96·7
3	104	118	99	119	102	115	93	105·7	101·8
4	104	114	93	115	94	112	92	100·4	106·8
1975 *1*	105	107	88	108	89	106	85	100·7	92·5
2	100	102	86	102	85	102	88	100·4	97·1
3	98	95	81	94	80	96	84	99·6	108·8
4	96	88	79	87	79	90	80	99·3	101·6
1976 *1*	96	84	85	83	83	86	90	100·3	112·6
2	97	80	87	79	86	82	89	97·6	114·5
3	96	80	97	77	90	87	114	96·3	99·7
4	97	81	100	74	90	94	123	99·9	95·2
1977 *1*	97	82	99	74	95	97	109	96·1	91·0
2	97	82	97	73	90	101	116†	96·5	93·3
3	97	82	97	73	93	100	105	98·5	96·1
4	96	83†	99	75	97	100	104	100·7	98·1
1978[6] *1*	99	83	99	75	95	100†	109	101·5	102·2
2	98	83	96	75	95†	99	99	107·1	99·0
3	100	84	103	75	99	101	113	106·6	106·9
4	99	89	111	83†	114	100	104	104·4[6]	103·4[6]
1979 *1*	97	91	101	83	93	106	121		
2									
1977 *J*	98†	82	94	73	96†	98†	91	..	87·8
A	95	83	102†	74	96	100†	117	..	91·8
S	97	82	93	73	86	100	108	..	108·5
O	97	82†	100	73†	95	100	110	..	84·6
N	93	83	95	74	95	99	93	..	100·0
D	97	83	104	75	101	100	110	..	109·7
1978[6] *J*	96	83	94	75	92	99	99	..	101·8
F	98	85	109	75	96	103	140	..	106·1
M	103	83	94	75	96	100	90	..	98·6
A	96	83	94	75	92	100	96	..	94·6
M	99	84	102	75	100	100	107†	..	103·9
J	99	83	93	75	93	99	95	..	98·5
J	98	83	100	76	101	98	96	..	95·0
A	100	83	101	76	98	97	107	..	111·7
S	102	84	109	75	99	101	135	..	114·0
O	96	84	96	76	98	100	93	..	109·5
N	97	88	123	82	135	99	98	..	96·5
D	102	89	113	83	111	100	120	..	104·2[6]
1979[6] *J*	85	90	94	84	92	102	99	..	85[5, 6]
F	101	91	105	84	92	105	134		105[5, 6]
M	104	91	104	83	93	106	130		

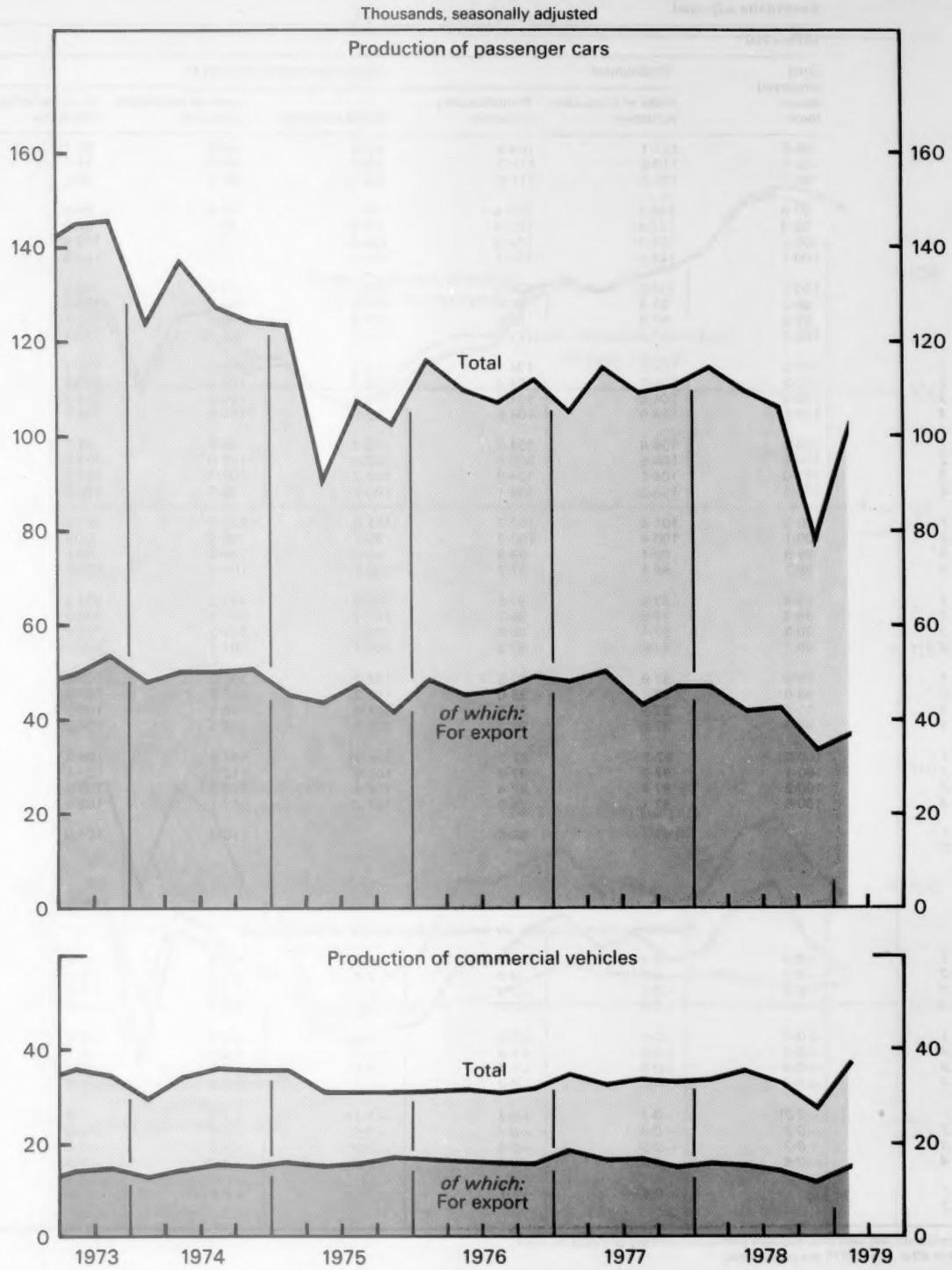
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Estimates based on orders reported by major contractors.
[6] Provisional.


Engineering industries
Volume indices, seasonally adjusted
Net new orders
1975 average monthly sales =100
Orders on hand
Average, 1975 =100
Construction industry (GB)
Volume indices, seasonally adjusted, 1975 =100
Output
Contractors' orders
130
120
110
100
90
80
70
1974
1975
1976
1977
1978
1979

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars §			Commercial vehicles §				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1968	151·3	*+17·0*	66·9	34·1	*+ 6·3*	12·5	26,255	16,835
1969	143·1	*− 5·4*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972	160·1	*+10·3*	51·1	34·0	*−10·5*	11·3	25,293	16,750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977	109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15,300
1978	101·9	*− 7·1*	41·2	32·0	*− 3·5*	14·1	20,311	15,583
1974 *1*	123·4	*−19·0*	47·9	29·2	*−17·5*	12·3	5,218	4,357
2	136·9	*− 2·2*	50·1	33·9	*+ 0·9*	14·0	5,784	4,560
3	127·1	*−12·3*	50·1	35·7	*− 0·3*	15·6	5,763	4,252
4	124·1	*−14·7*	50·6	35·4	*+ 3·9*	14·9	5,599	4,379
1975 *1*	123·2	*− 0·1*	44·9	35·6	*+22·1*	15·7	6,102	4,267
2	89·3	*−34·8*	43·5	30·5	*−10·1*	14·6	4,661	3,695
3	107·9	*−15·0*	47·8	30·4	*−14·9*	15·2	4,231[5]	3,715[5]
4	102·1	*−17·7*	41·2	30·4	*−14·1*	16·7	4,719	3,769
1976 *1*	116·1	*− 5·8*	48·2	30·6	*−14·2*	16·1	5,480	4,076
2	109·6	*+22·7*	44·9	31·4	*+ 3·1*	16·0	5,731	3,887
3	106·8	*− 1·1*	45·9	30·3	*− 0·2*	15·6	5,375	3,785
4	112·1	*+ 9·8*	49·4	31·7	*+ 4·3*	15·5	5,650	4,056
1977 *1*	104·6	*− 9·9*	47·8	34·6	*+13·1*	18·3	5,417	3,744
2	114·8	*+ 4·8*	50·1	32·1	*+ 2·2*	16·1	4,908	3,758
3	108·9	*+ 2·0*	42·8	33·6	*+10·9*	16·5	5,419	3,974
4	110·3	*− 1·5*	46·9	32·4	*+ 2·3*	14·7	4,641	3,824
1978 *1*	114·9	*+ 9·8*	46·9	33·2	*− 4·0*	15·7	4,957	4,202
2	109·4	*− 4·7*	41·9	35·0	*+ 8·9*	15·2	5,278	3,949
3	105·7	*− 2·9*	42·2	32·3	*− 4·0*	13·9	4,757	3,910
4	77·6	*−29·7*	33·9	27·7	*−14·5*	11·6	5,245	3,522
1979 *1*	102·4	*−10·9*	37·4	37·5	*+12·9*	15·0	4,924	
2								
1978 *J*	111·4	*− 7·3*	45·1	33·4	*− 9·1*	15·8	1,340	..
F	112·0	*+12·6*	43·3	30·7	*− 8·1*	15·0	1,523	..
M	121·3	*+28·6*	52·4	35·4	*+ 5·4*	16·2	2,094[6]	..
A	116·7	*− 1·6*	48·2	36·0	*+13·0*	16·3	1,684	..
M	103·9	*−13·5*	39·7	34·6	*− 2·3*	14·9	1,976[6]	..
J	107·6	*+ 1·9*	37·7	34·3	*+18·1*	14·5	1,618	..
J	95·6	*−12·8*	37·1	33·5	*+ 1·6*	14·4	1,701	..
A	114·8	*+13·8*	50·2	31·3	*− 9·0*	14·0	1,442[6]	..
S	106·8	*− 8·0*	39·4	32·1	*− 4·3*	13·2	1,614	..
O	83·3	*−22·6*	37·0	26·2	*−22·7*	10·8	1,614	..
N	54·8	*−48·6*	26·8	24·4	*−20·4*	11·6	2,072	..
D	94·7	*−18·8*	37·8	32·5	*− 0·6*	12·3	1,559	..
1979 *J*	92·5	*−16·9*	34·7	34·5	*+ 3·3*	12·3	1,598[6]	..
F	104·2	*− 7·0*	39·3	37·7	*+22·6*	15·6	1,634	..
M	110·5	*− 8·9*	38·2	40·3	*+13·7*	17·1	1,692	..
A	101·5	*−13·0*	36·3	41·6	*+15·7*	18·5	1,754	..
M								..
J								..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'usable steel' in accordance with the system used by the EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.


Thousands, seasonally adjusted
Production of passenger cars
160
140
120
100
80
60
40
20
0
Total
of which:
For export
Production of commercial vehicles
40
20
0
Total
of which:
For export
1973
1974
1975
1976
1977
1978
1979

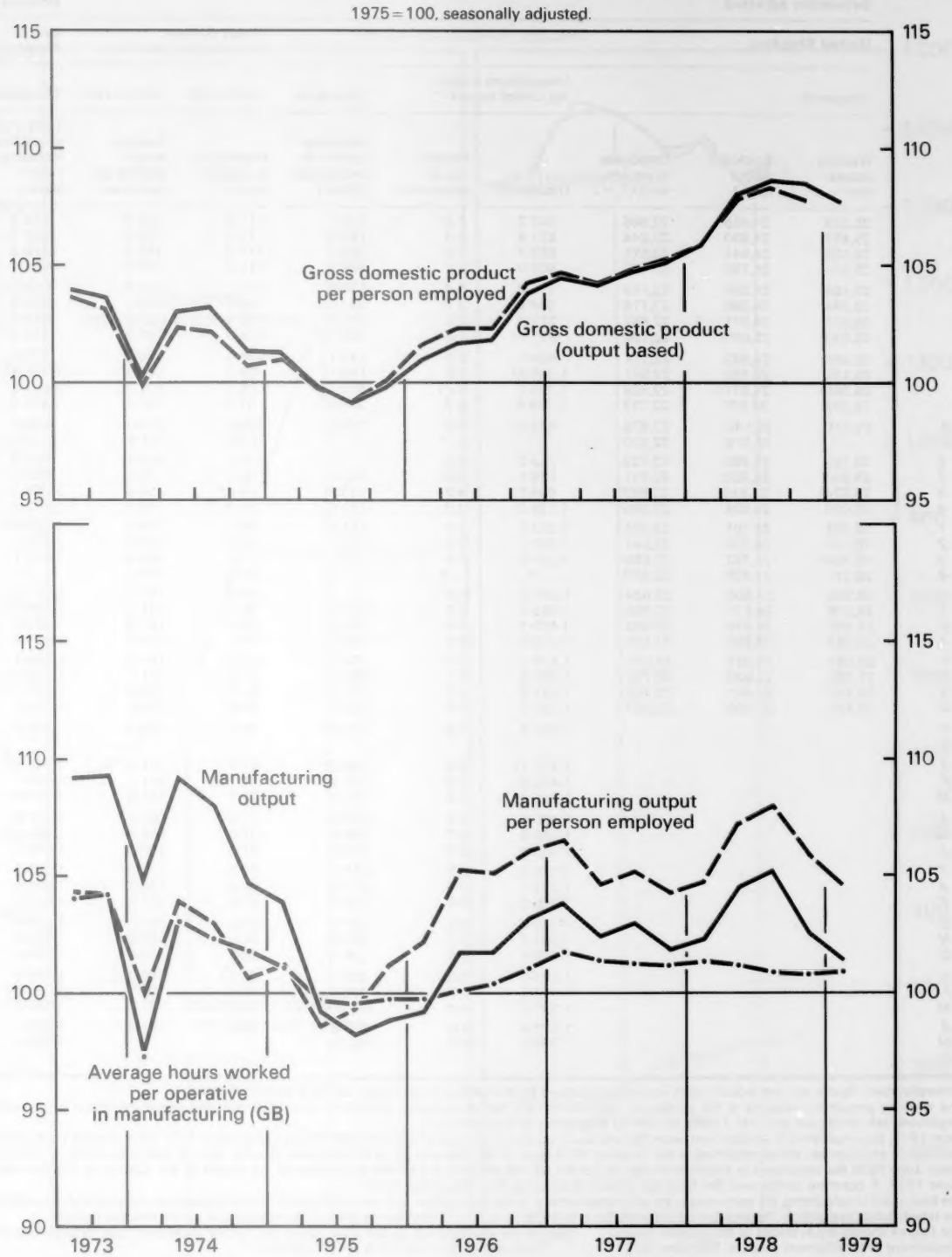
Output per person employed

Seasonally adjusted

1975=100

		Total employed labour force	Employment		Output per person employed[1]		
			Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1968		99·8	111·1	109·9	90·3	87·4	85·7
1969		99·7	110·8	111·3	92·2	90·0	87·7
1970		99·3†	109·3	111·0	94·1†	91·4	88·3
1971		97·6	106·1	107·4	97·1	94·2	90·8
1972		98·3	103·4	103·9	99·5	98·7	96·3
1973		100·4	104·7	104·5	103·4	104·6	103·6
1974		100·7	104·4	104·7	101·2	100·7	101·8
1975		100·0	100·0	100·0	100·0	100·0	100·0
1976		99·5	97·6	97·0	102·6	104·5	104·6
1977		99·9	97·9	97·8	104·8	108·1	105·1
1978		100·2	97·4	97·4	107·5	112·7†	106·4
1973	*1*	100·2	104·3	104·1	103·8	104·7	102·7
	2	100·3	104·7	104·4	103·4	104·8	103·6
	3	100·4	104·8	104·6	103·6	105·0	104·3
	4	100·5	104·9	104·9	103·1	104·0	104·1
1974	*1*	100·3	104·6	104·8	99·8	98·1	99·7
	2	100·6	104·5	105·0	102·4	103·0	103·9
	3	101·0	104·1	104·9	102·2	102·7†	103·0
	4	100·7	104·2	104·1	100·7	99·3	100·5
1975	*1*	100·3	101·9	102·7	101·0	100·7	101·2
	2	100·1	100·4	100·7	99·7	99·1	98·5
	3	99·9	99·4	98·9	99·2	99·0	99·2
	4	99·7	98·4	97·7	100·1	101·1	101·2
1976	*1*	99·4	97·9	97·0	101·6	102·2	102·2
	2	99·4	97·5	96·7	102·3	104·4	105·2
	3	99·5	97·4	96·9	102·3	104·3	105·0
	4	99·7	97·6	97·3	104·2	107·1	106·1†
1977	*1*	99·8	97·8	97·6	104·7	108·0	106·5
	2	99·9	98·1	98·0	104·3	107·5	104·5
	3	99·9	97·9	98·0	104·9	108·5	105·1
	4	99·8	97·6	97·7	105·3	108·4	104·2
1978	*1*	100·0†	97·7	97·7	105·9†	109·5	104·6
	2	100·1	97·7	97·6	107·9	113·4	107·1
	3	100·2	97·4	97·4	108·4	114·5	108·0
	4	100·6	97·1	96·9	107·7	113·1	105·9
1979	*1*		97·1	96·6		111·4	104·6
	2						
		Percentage change, quarter on corresponding quarter of previous year					
1976	*1*	*−0·9*	*−3·9*	*−5·6*	*+0·6*	*+1·5*	*+1·0*
	2	*−0·7*	*−2·9*	*−4·0*	*+2·6*	*+5·3*	*+6·8*
	3	*−0·4*	*−2·0*	*−2·0*	*+3·1*	*+5·4*	*+5·8*
	4	—	*−0·8*	*−0·4*	*+4·1*	*+5·9*	*+4·8†*
1977	*1*	*+0·4*	*−0·1*	*+0·6*	*+3·1*	*+5·7*	*+4·2*
	2	*+0·5*	*+0·6*	*+1·3*	*+2·0*	*+3·0*	*−0·7*
	3	*+0·4*	*+0·5*	*+1·1*	*+2·5*	*+4·0*	*+0·1*
	4	*+0·1*	—	*+0·4*	*+1·1*	*+1·2*	*−1·8*
1978	*1*	*+0·2†*	*−0·1*	*+0·1*	*+1·1†*	*+1·4*	*−1·8*
	2	*+0·2*	*−0·4*	*−0·4*	*+3·5*	*+5·5*	*+2·5*	
	3	*+0·3*	*−0·5*	*−0·6*	*+3·3*	*+5·5*	*+2·8*
	4	*+0·8*	*−0·5*	*−0·8*	*+2·3*	*+4·3†*	*+1·6*
1979	*1*		*−0·6*	*−1·1*		*+1·7*	—
	2						

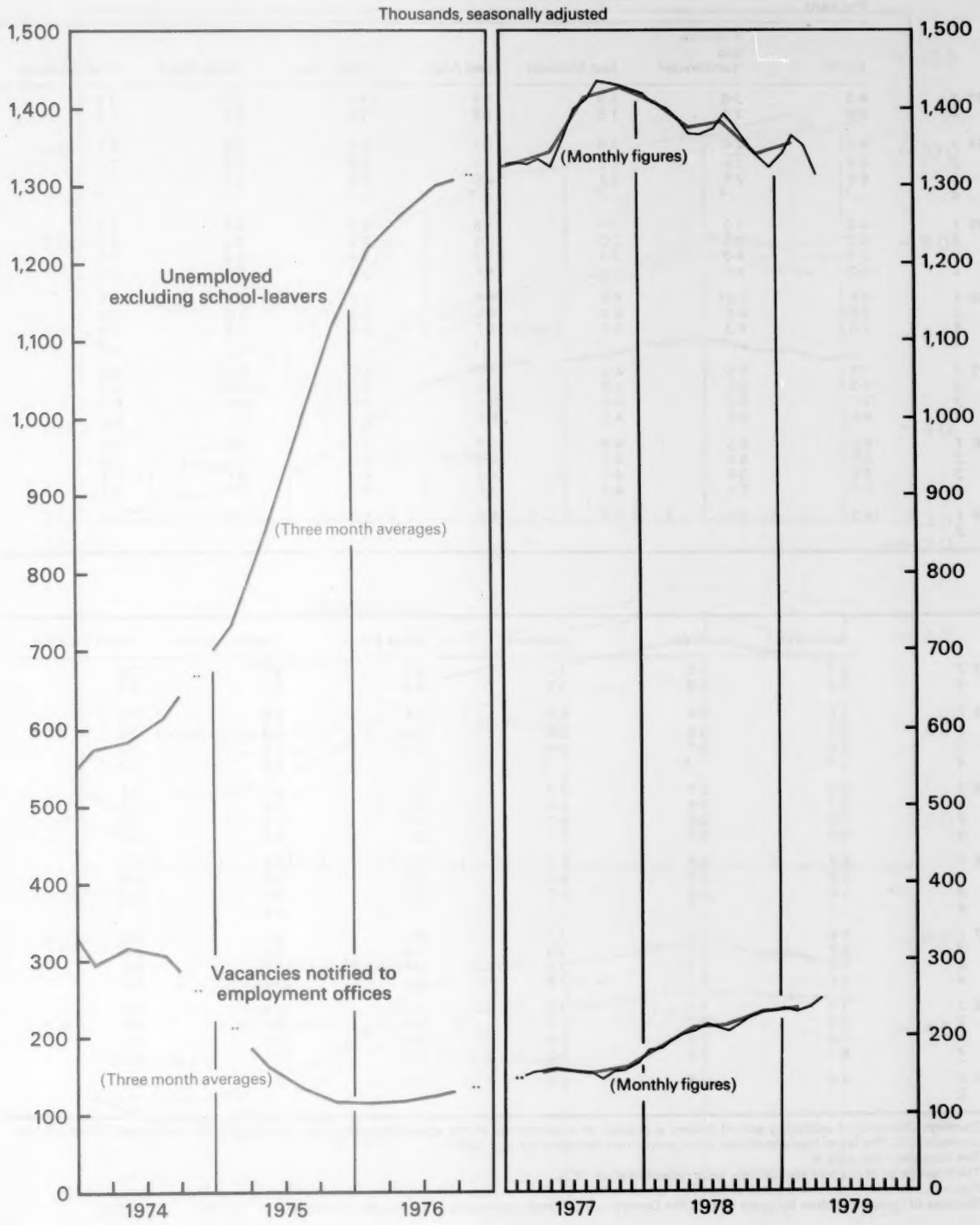
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1976 are provisional.


1975 = 100, seasonally adjusted.
115
110
105
100
95
Gross domestic product per person employed
Gross domestic product (output based)
Manufacturing output
Manufacturing output per person employed
Average hours worked per operative in manufacturing (GB)
90
1973
1974
1975
1976
1977
1978
1979

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975=100	1975=100	Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3,10]	Thousands[11]	Percentage of employees[4]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative[8]	Total unemployed including school leavers
1967	25,532	24,985	22,806	547·2	*2·3*	175·1	111·0	104·7	556·7
1968	25,417	24,830	22,644	574·4	*2·4*	189·5	110·0	105·5	583·3
1969	25,409	24,844	22,611	566·3	*2·4*	202·0	111·5	105·6	576·2
1970	25,344	24,739	22,465	602·0	*2·6*	188·3	111·3	104·5	612·2
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	107·5	102·6	792·1
1972	25,244	24,386	22,116	854·9	*3·7*	147·3	103·8	102·1	875·6
1973	25,601	24,971	22,663	611·0	*2·6*	307·0	104·5	103·9	618·8
1974	25,653	25,060	22,790	599·7[5]	*2·6*[5]	301·6[5]	105·0	101·1	614·9[5]
1975	25,846	24,933	22,711	929·1	*3·9*	148·1[5]	100·0	100·0	977·6
1976	26,134	24,763	22,541	1,269·3[5]	*5·3*	119·7†	96·7	100·3	1,358·8[5]
1977	26,358†	24,871†	22,658	1,378·0	*5·7*†	155·8[5]	98·1	101·3	1,483·6
1978	26,399	24,920	22,716	1,376·5	*5·7*	210·4[5]	97·5	101·1	1,475·0
1974 *3*	25,751	25,140	22,878	613·0	*2·6*	308·2	104·8	102·3	628·3
4	..[7]	25,078	22,830	..[7]	..[7]	..[7]	103·8	101·8	..[7]
1975 *1*	25,763	24,966	22,733	735·2	*3·1*	..[7]	102·2	101·1	788·7
2	25,846	24,933	22,711	858·5	*3·6*	163·0	100·0	99·6	853·8
3	25,974†	24,884†	22,658†	994·6	*4·2*	133·8	98·4[8]	99·5	1,095·5
4	26,035	24,824	22,599	1,128·2	*4·8*	115·5	97·4	99·7	1,172·3
1976 *1*	26,054	24,761	22,538	1,222·7	*5·1*	114·0	96·7	99·7	1,297·5
2	26,134	24,763	22,541	1,269·3	*5·3*	115·7	96·7	100·0	1,294·9
3	26,169[8]	24,782	22,558[8]	1,290·6	*5·4*	126·2	97·0	100·4	1,473·7
4	26,217	24,829	22,609	..[9]	..[9]	..[9]	97·3	101·0	..[9]
1977 *1*	26,253	24,850	22,634	1,333·3	*5·5*	..[9]	97·8	101·7	1,417·8
2	26,358	24,871	22,658	1,353·4	*5·6*	154·3	98·1	101·3	1,394·7
3	26,405	24,876	22,662	1,403·1	*5·8*	153·7	98·0	101·2	1,622·4
4	26,352	24,850	22,640	1,422·2	*5·9*	163·6	97·7	101·1	1,499·4
1978 *1*	26,384	24,897	22,690	1,415·7	*5·9*	185·9	97·7	101·3	1,506·1
2	26,399	24,920	22,716	1,388·6	*5·7*	206·3	97·5	101·1	1,428·2
3	26,395	24,961	22,755	1,367·9	*5·7*	215·2	97·2	100·9	1,570·6
4	26,431	25,040	22,837	1,333·7	*5·5*	234·2	96·8	100·8	1,395·3
1979 *1*				1,356·7	*5·6*	232·6	96·5	100·9	1,436·5
2									
1978 *J*	..	..	..	1,421·7†	*5·9*	180·2†	97·7	101·3	1,548·5
F	..	..	..	1,413·9	*5·9*	185·3	97·7	101·2	1,508·7
M	..	..	..	1,411·4	*5·8*	192·3	97·7	101·5	1,461·0
A	..	..	..	1,403·0	*5·8*	199·8	97·6	101·3	1,451·8
M	..	..	..	1,384·8	*5·7*	205·6	97·6	101·1	1,386·8
J	..	..	..	1,378·1	*5·7*	213·4	97·5	100·9	1,446·1
J	..	..	..	1,370·2	*5·7*	211·1	97·6	101·0	1,585·8
A	..	..	..	1,373·4	*5·7*	211·8	97·4	100·8	1,608·3
S	..	..	..	1,360·2	*5·6*	222·8	97·2	101·0	1,517·7
O	..	..	..	1,349·9	*5·6*	231·8	97·0	100·9	1,429·5
N	..	..	..	1,331·7	*5·5*	234·9	96·9	100·8	1,392·0
D	..	..	..	1,319·6	*5·5*	235·9	96·8	100·8	1,364·3
1979 *J*	..	..	..	1,342·1	*5·6*	235·7	96·7	100·3	1,455·3
F	..	..	..	1,366·5	*5·7*	228·9	96·6	100·9	1,451·9
M	..	..	..	1,361·5	*5·6*	233·1	96·5	101·4	1,402·3
A	..	..	..	1,327·4	*5·5*	245·3	96·5	101·5	1,340·6
M	..	..	..	1,306·4	*5·4*	257·3			1,299·3
J	..	..	..						

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.
[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From June 1976 the employees in employment figures for the UK are provisional until the publication of the results of the Census of Employment for June 1977. A constant component for Northern Ireland is included from December 1977.
[4] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is the provisional estimate for mid-1978.
[5] The figures shown are averages of eleven months figures.
[6] The figures shown are averages of ten months figures.
[7] Figure not available due to industrial action. For further details see note to page 129 of the *Department of Employment Gazette*, February 1975.
[8] Estimates after June 1976 are provisional.
[9] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available.
[10] The figures for employees in employment in the United Kingdom include recent small revisions to the Northern Ireland figures.
[11] See footnote [9] on page 5.


Thousands, seasonally adjusted
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed
excluding school-leavers
(Three month averages)
(Monthly figures)
Vacancies notified to
employment offices
(Three month averages)
(Monthly figures)
1974
1975
1976
1977
1978
1979

Regional unemployment rates[1]

Seasonally adjusted[2]

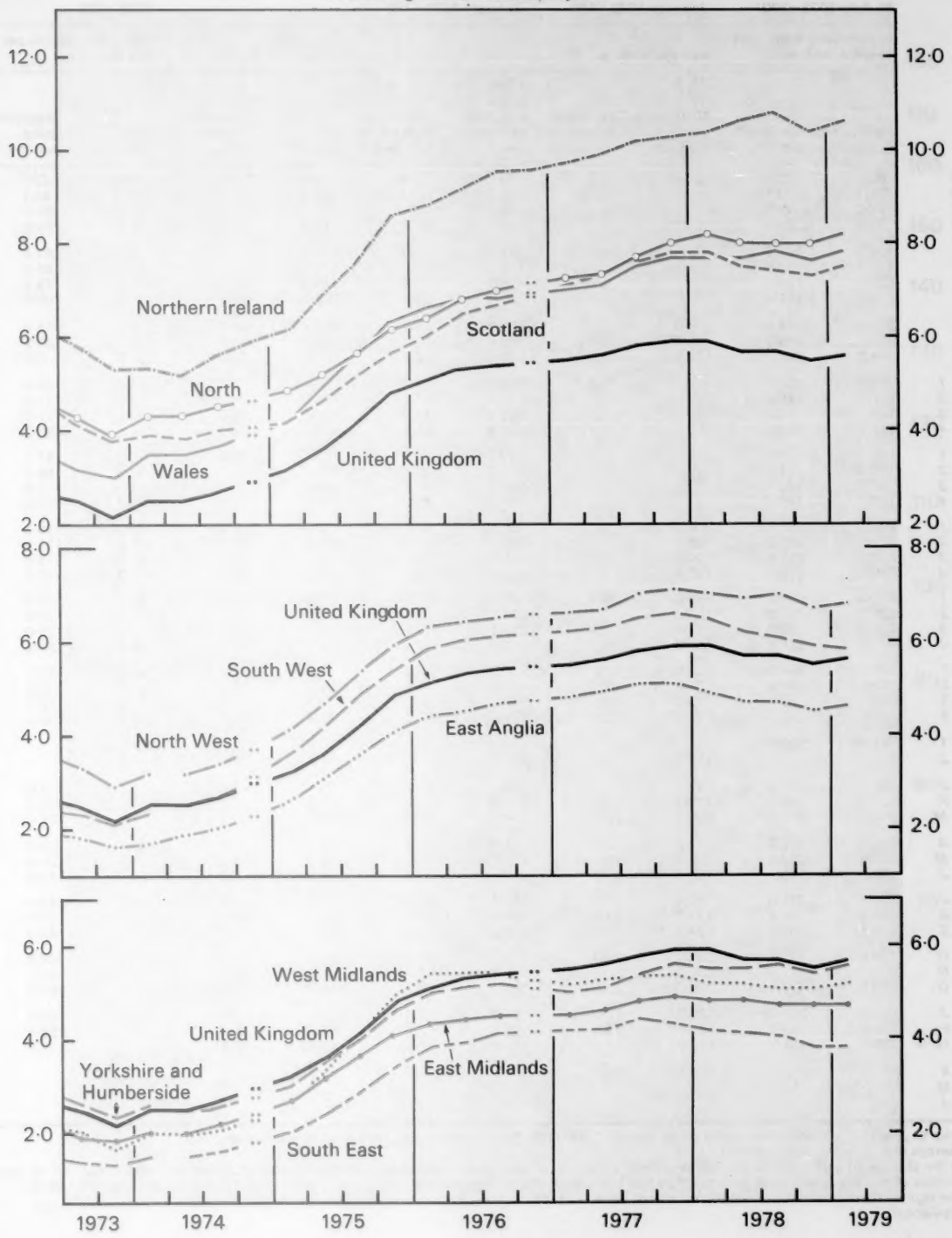
Per cent

	North[3]	Yorkshire and Humberside[3]	East Midlands[3]	East Anglia	South East[3]	South West[3]	West Midlands
1973 *3*	4·3	2·6	1·9	1·8	1·4	2·3	2·0
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·5	3·2	3·1	2·4	4·2	3·5
3	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	5·0†	4·3	4·4	3·8	5·8	5·4
2	6·8†	5·1	4·4†	4·5	3·9	6·0	5·4
3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
4	..[5]	..[5]	..[5]	..[5]	..[5]	..[5]	..[5]
1977 *1*	7·2	5·0	4·5	4·8†	4·2	6·2†	5·2
2	7·3	5·1	4·6	4·9	4·2	6·3	5·3
3	7·7	5·4	4·8	5·1	4·4	6·5	5·4†
4	8·0	5·6	4·9	5·1	4·3†	6·6	5·4
1978 *1*	8·2	5·5	4·8	4·9	4·2	6·5	5·2
2	8·0	5·5	4·8	4·7	4·1	6·2	5·2
3	8·0	5·6	4·7	4·7	4·0	6·1	5·1
4	8·0	5·4	4·7	4·5	3·8	5·9	5·1
979 *1*	8·2	5·6	4·7	4·6	3·8	5·8	5·2
2							

	North West[3]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1973 *3*	3·3	3·2	4·2	2·4	5·7	2·5
4	2·9	3·0	3·8	2·2	5·3	2·3
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[4]	..[4]	..[4]	..[4]	5·9	..[4]
1975 *1*	4·1	4·2	4·2	3·1	6·1	3·1
2	4·7	4·9	4·6	3·6	6·9	3·6
3	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·8	6·5†	5·2	9·2	5·3
3	6·5	6·8	6·7	5·3	9·5	5·4
4	..[5]	..[5]	..[5]	..[5]	9·6	..[5]
1977 *1*	6·6	7·0	7·1	5·4	9·7	5·5†
2	6·7	7·1	7·3	5·5	9·9	5·6
3	7·0	7·5	7·6	5·7	10·2	5·8
4	7·1	7·7	7·8	5·8	10·3	5·9
1978 *1*	7·0	7·7	7·8	5·7	10·4	5·9
2	6·9	7·7	7·5	5·6	10·6	5·7
3	7·0	7·8	7·4	5·5	10·8	5·7
4	6·7	7·6	7·3	5·4	10·4	5·5
1979 *1*	6·8	7·8	7·5	5·5	10·6	5·6
2						

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is the provisional estimates for mid-1978.
[2] See footnote [8] on page 5.
[3] The boundaries of the standard regions were revised in April 1974.
[4] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[5] Because of industrial action by some staff in the Department of Employment group, figures are not available.

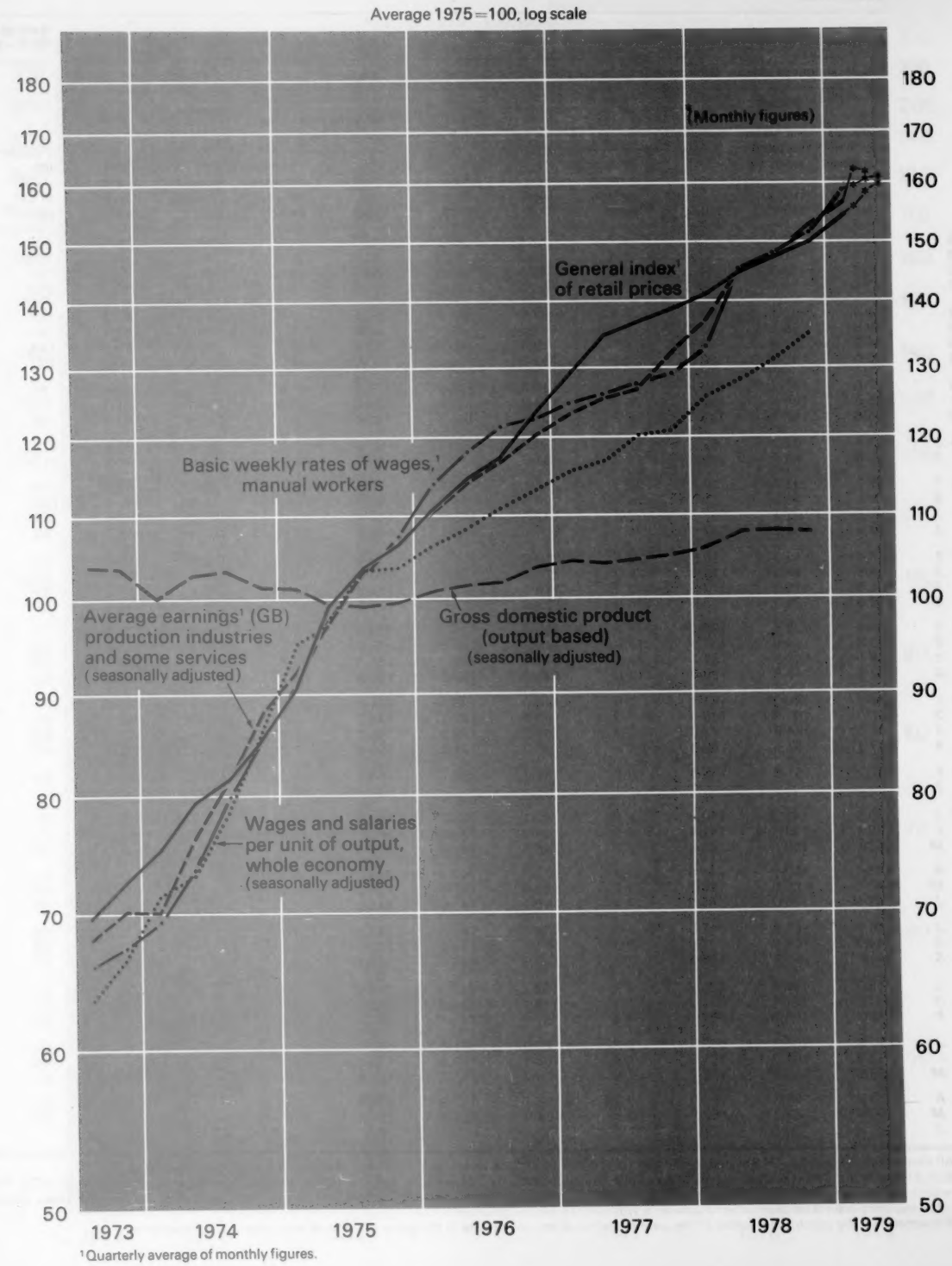
Percentage rates, seasonally adjusted



Wage rates and earnings

	Unadjusted				Seasonally adjusted					
	31 July 1972 =100[1]		January 1976 =100		January 1970 =100				1975 =100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	New series: whole economy	*Percentage increase on year earlier*	Older series: production industries and some services	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1968	68·1	68·4	..	..	88·2	*7·8*	87·8	*8·2*	43·4	42·5
1969	71·7	72·1	..	..	95·2	*7·8*	94·9	*8·1*	44·8	45·2
1970	78·8	79·4	..	..	106·7	*12·1*	107·0	*12·7*	49·2	50·8
1971	89·0	89·3	..	..	118·7	*11·3*	118·9	*11·2*	53·8	55·6
1972	101·3	101·5	..	..	134·0[2]	..[3]	134·2[2]	..[3]	58·4	57·9
1973	115·2	114·6	..	..	152·1	..[3]	151·5	..[3]	62·9	61·2
1974	138·0	134·3	..	..	179·1	*17·8*	177·5	*17·2*	77·5	75·6
1975	178·7	174·4	..	..	226·6	*26·5*	223·8	*26·1*	100·0	100·0
1976	213·2	209·0	106·0	..	261·8	*15·6*	260·7	*16·5*	110·0	113·7
1977	227·3	218·9	115·6	*9·1*	288·5	*10·2*	287·6	*10·3*	118·5	125·3
1978	259·2	258·7	130·6	*13·0*	330·2	*14·5*	329·6	*14·6*	130·5	
1974 *1*	124·3	122·7	..	..	159·1[4]	*10·2*[4]	157·4[4]	*9·5*[4]	71·6	67·2
2	131·7	128·0	..	..	172·5	*14·9*	171·2	*14·5*	73·3	71·6
3	143·2	139·4	..	..	185·1	*19·9*	184·0	*19·7*	78·7	77·9†
4	152·7	147·1	..	..	199·6	*25·4*	197·5	*24·2*	86·4	86·0
1975 *1*	162·7	155·1	..	..	209·5	*31·6*	207·4	*31·8*	95·1	91·1
2	175·3	171·9	..	..	220·2	*27·6*	216·8	*26·6*	97·3	98·2
3	184·3	180·5	..	..	234·0	*26·4*	230·7	*25·4*	103·9	103·8
4	192·6	190·1	..	..	242·7	*21·6*	240·6	*21·8*	103·7	107·0
1976 *1*	204·2	201·5	101·0	..	250·7	*19·7*	248·9	*20·0*	106·6	110·3
2	211·5	209·0	105·2	..	258·1	*17·2*	257·6	*18·8*	108·9	111·7
3	217·8	212·5	107·9	..	265·9	*13·6*	265·1	*14·9*	111·3	115·6
4	219·3	213·1	110·1	..	272·7	*12·3*	271·3	*12·8*	113·2	117·3
1977 *1*	223·3	215·7	111·8	*10·7*	280·2	*11·8*	278·6	*11·9*	115·8	120·0
2	225·9	217·9	114·5	*8·8*	284·4	*10·2*	283·2	*9·9*	117·0	123·5
3	228·7	220·2	116·4	*7·9*	289·1	*8·7*	288·2	*8·7*	120·3	126·0
4	231·2	221·7	119·9	*8·9*	300·3	*10·1*	300·3	*10·7*	121·0	131·6
1978 *1*	237·7	226·1	123·1	*10·1*	310·9	*11·0*	311·6	*11·8*	126·3	136·1
2	260·6	263·9	129·9	*13·5*	327·8	*15·3*	326·9	*15·5*	129·1	139·6
3	265·8	267·9	133·2	*14·4*	335·7	*16·1*	334·5	*16·1*	131·4	142·3
4	272·6	280·6	136·5[5]	*13·8*[5]	346·4	*15·3*	345·4	*15·0*	135·1	150·1
1979 *1*	284·5†	283·8†								
2										
1978 *J*	236·6	225·6	121·5	*9·5*	306·7	*10·2*	308·0	*11·4*	..	134·6†
F	237·9	226·0	122·7	*10·5*	311·5	*11·6*	311·9	*12·2*	..	136·2
M	238·7	226·6	125·0	*10·4*	314·6	*11·2*	314·9	*12·0*	..	137·4
A	258·5	262·1	127·2	*12·4*	324·1	*14·8*	325·2	*15·6*	..	138·6
M	259·9	263·8	129·4	*12·6*	326·2	*14·5*	325·1	*14·4*	..	139·6
J	263·5	265·7	133·1	*15·4*	333·0	*16·5*	330·6	*16·3*	..	140·5
J	264·8	265·9	133·6	*14·2*	333·2	*16·3*	332·1	*16·2*	..	140·5
A	266·2	268·6	131·7	*13·9*	334·7	*15·9*	333·5	*15·9*	..	141·7
S	266·5	269·1	134·2	*15·1*	339·2	*16·2*	338·0	*16·2*	..	144·6
O	270·6	276·1	135·2	*14·7*	344·5	*16·5*	343·3	*16·5*	..	147·2
N	272·7	277·4	136·1	*13·3*	344·5	*14·4*	343·2	*13·8*	..	149·1
D	274·8†	277·5	138·0	*13·3*	350·1	*15·1*	349·7	*14·8*	..	154·0
1979 *J*	282·7	283·2†	135·7	*11·7*	344·7	*12·4*	345·5	*12·2*	..	155·2
F	284·9	283·7	141·1	*15·0*	355·6	*14·1*	357·3	*14·6*	..	156·4
M	285·8	284·6	143·7†	*14·9*†	369·3†	*17·4*†	369·0†	*17·2*†	..	
A	287·8	287·3	144·3[5]	*13·5*[5]	367·9[5]	*13·5*[5]	367·7[5]	*13·1*[5]		
M	289·0[5]	289·5[5]								
J										

[1] Prior to July 1972 the series was based on 31 January 1956 =100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] Provisional.



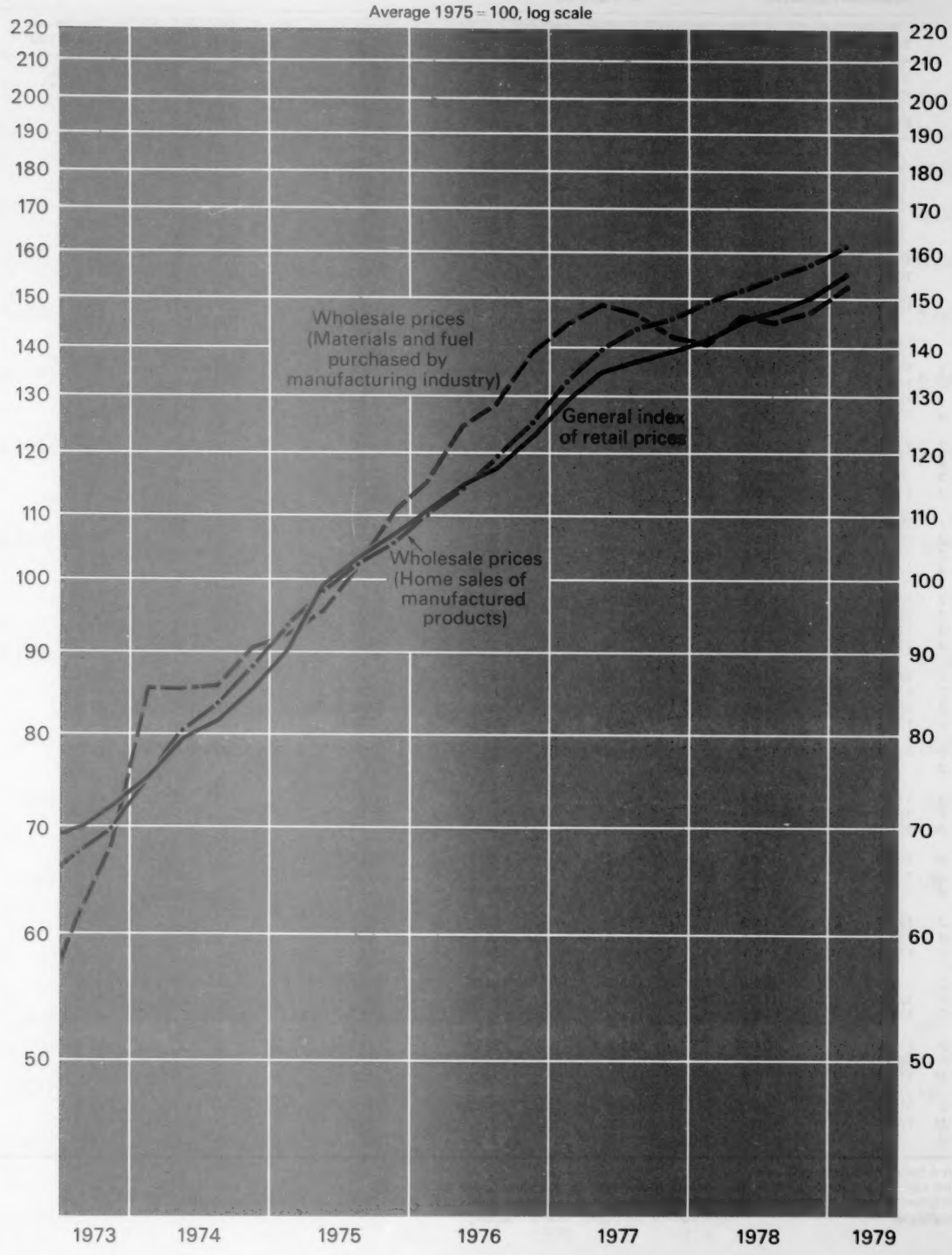
[1] Quarterly average of monthly figures.

Prices

Unadjusted

	Average 1975=100										Average 1975=100 p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output of all manufactured products: Home sales[3]	All items: Index	All items: *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food: Index	All items other than seasonal food: *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1968	37·2	48·7	48·4	*4·7*	42·6	50·5	48·9	*4·8*	46·8	46·9	207
1969	38·7	50·5	51·0	*5·4*	45·3	53·1	51·5	*5·2*	49·2	49·5	196
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978	144·6	153·3	146·2	*8·2*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1974 *3*	85·6	83·7	81·7	*17·0*	79·8	82·4	81·9	*17·0*	80·4	80·8	122
4	90·6	88·0	85·4	*18·2*	84·5	85·7	85·5	*18·5*	84·6	84·8	117
1975 *1*	92·2	93·7	90·5	*20·3*	91·4	90·2	90·7	*20·7*	89·9	89·9	110
2	95·5	98·5	99·1	*24·3*	99·8	98·8	99·0	*24·4*	99·5	99·6	101
3	101·8	102·1	103·4	*26·5*	102·5	103·7	103·4	*26·3*	103·1	103·3	97
4	110·5	105·7	107·0	*25·3*	106·1	107·3	106·9	*25·0*	107·4	107·3	93
1976 *1*	115·4	110·3	110·9	*22·5*	113·6	110·1	110·1	*21·3*	112·8	112·6	90
2	124·6	114·5	114·9	*16·0*	117·7	114·1	113·9	*15·1*	117·3	116·9	87
3	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979 *1*	152·2†	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·6	65
2											
1978 *J*	139·4	148·3	140·6	*9·9*	147·1	138·7	140·8	*11·3*	..	..	71
F	139·1	149·2	141·4	*9·5*	148·0	139·5	141·7	*11·0*	..	..	71
M	142·0	150·0	142·3	*9·1*	148·8	140·4	142·4	*10·4*	..	..	70
A	145·1	150·9	144·4	*7·9*	151·2	142·4	144·3	*9·1*	..	..	69
M	146·8	151·9	145·2	*7·7*	152·4	143·1	145·2	*8·6*	..	..	69
J	147·0	152·7	146·3	*7·4*	155·1	143·8	146·0	*8·1*	..	..	68
J	145·8	153·8	147·0	*7·8*	154·6	144·8	147·1	*8·3*	..	..	68
A	144·2	154·8	147·9	*8·0*	154·7	146·0	148·3	*8·4*	..	..	68
S	144·8	155·7	148·5	*7·8*	154·8	146·8	149·1	*8·2*	..	..	67
O	145·7	156·6	149·2	*7·8*	154·2	147·7	149·8	*8·1*	..	..	67
N	147·3	157·1	150·2	*8·1*	156·0	148·6	150·9	*8·3*	..	..	67
D	148·3	158·3	151·5	*8·4*	157·9	149·6	151·8	*8·5*	..	..	66
1979 *J*	150·8	160·0	153·7	*9·3*	163·2	151·0	153·4	*9·0*	..	..	65
F	152·2	161·7	155·0	*9·6*	164·1	152·4	154·8	*9·3*	..	..	65
M	153·5†	163·2†	156·2	*9·8*	165·2	153·7	155·9	*9·5*	..	..	64
A	158·3[5]	165·3[5]	158·9	*10·1*	166·2	156·8	158·4	*9·7*	..	..	63
M	160·7[5]	167·2[5]	160·2	*10·3*	168·0	157·9	159·8	*10·1*	..	..	62
J									..	..	

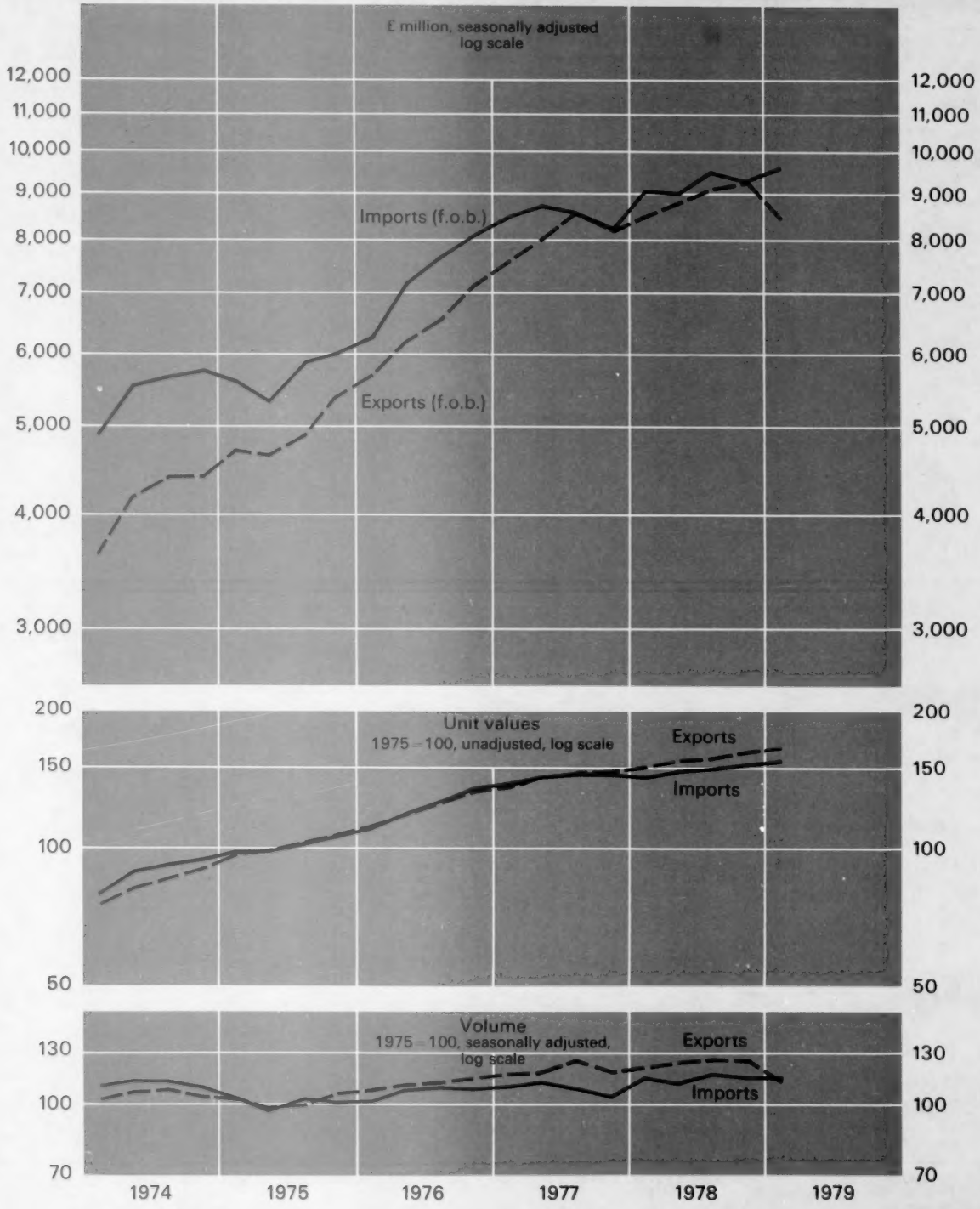
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1975 = 100, log scale
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
50
Wholesale prices (Materials and fuel purchased by manufacturing industry)
General index of retail prices
Wholesale prices (Home sales of manufactured products)
1973
1974
1975
1976
1977
1978
1979

Visible trade

	Seasonally adjusted		Unadjusted				
	1975=100		1975=100			1975=100	December 1971=100
	Volume indices[1]		Unit value indices[1]			World commodity prices index[3]	Sterling effective exchange rate
	Exports	Imports	Exports	Imports	Terms of trade[2]		
1968	70·2	77·1	46·2	39·2	117·9	32†	..
1969	77·1	77·9	47·7	40·4	118·1	34	..
1970	80·3	82·6	50·9	42·2	120·6	36	..
1971	85·5	85·8	53·8	44·2	121·7	37	..
1972	85·2	95·3	56·9	46·7	121·8	41	95·2
1973	97·7	108·8	64·1	59·6	107·6	60	86·3
1974	104·2	109·7	81·7	87·4	93·5	105	83·6
1975	100·0	100·0	100·0	100·0	100·0	107	77·2
1976	109·7	105·6	120·7	121·8	99·1	137	65·4
1977	118·9	107·2	142·5	141·3	100·8	154	62·1
1978	122·9	112·6	155·1	146·4	105·9	144	63·0
1974 *1*	101·0	108·2	74·2	78·4	94·6	113	83·1
2	106·2	111·4	80·3	87·9	91·4	110	84·7
3	107·5	110·8	84·2	90·4	93·1	108	84·2
4	102·3	108·4	88·3	93·0	94·9	109	82·6
1975 *1*	100·9	102·1	95·2	96·5	98·7	102	81·7
2	97·1	95·7	97·5	97·1	100·4	102	79·1
3	98·0	102·4	101·6	100·8	100·8	111	75·2
4	104·0	99·8	105·7	105·6	100·1	119	73·0
1976 *1*	106·2	100·2	110·6	110·1	100·5	124	72·0
2	109·7	106·3	116·9	118·7	98·5	141	65·8
3	110·1	108·5	123·9	124·7	99·4	145	64·1
4	113·0	107·4	131·5	133·9	98·2	157	59·6
1977 *1*	115·9	108·8	135·8	137·1	99·1	164	61·8
2	117·7	110·6	141·5	140·7	100·6	168	61·6
3	124·6	107·3	145·3	143·4	101·3	160	61·8
4	117·3	102·3	147·4	143·9	102·4	153	63·3
1978 *1*	119·6	113·5	149·6	141·5	105·7	147	65·4
2	122·2	109·7	153·2	146·0	104·9	154	61·5
3	124·8	114·9	157·0	148·0	106·1	149	62·4
4	124·8	112·3	160·6	150·3	106·9	150[4]	62·7
1979 *1*	110·3	113·3	165·6	153·8	107·7	154[4]	64·0
2							
1978 *J*	111·0	112·8	149·5	140·6	106·3	..	66·0
F	127·3	111·4	149·1	141·4	105·4	..	66·0
M	120·4	116·3	150·2	142·5	105·4	..	64·1
A	124·3	104·8	151·5	144·5	104·8	..	61·8
M	120·5	113·3	153·5	145·7	105·4	..	61·5
J	121·9	111·1	154·5	147·6	104·7	..	61·3
J	125·7	114·3	155·3	147·4	105·4	..	62·1
A	124·5	111·3	157·0	147·8	106·2	..	62·4
S	124·3	119·1	158·7	148·6	106·8	..	62·7
O	125·9	110·8	159·1	149·7	106·3	..	62·5
N	122·5	113·7	161·3	150·1	107·5	..	62·5
D	126·0	112·5	161·5	151·0	107·0	..	63·2
1979 *J*	113·0†	107·1†	163·3	152·0†	107·4†	..	63·5
F	100·7	117·0	165·9	153·4	108·1	..	63·7
M	117·3	115·7	167·6	156·1	107·4	..	65·0
A	128·4	127·2	168·8	155·0	108·9	..	66·9
M	133·6	127·8	169·1	156·6	108·0	..	66·9
J						..	

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional. [5] Projection by the Department of Industry.


£ million, seasonally adjusted
log scale
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
Imports (f.o.b.)
Exports (f.o.b.)
Unit values
1975 = 100, unadjusted, log scale
Exports
Imports
200
150
100
50
Volume
1975 = 100, seasonally adjusted,
log scale
Exports
Imports
130
100
70
1974
1975
1976
1977
1978
1979

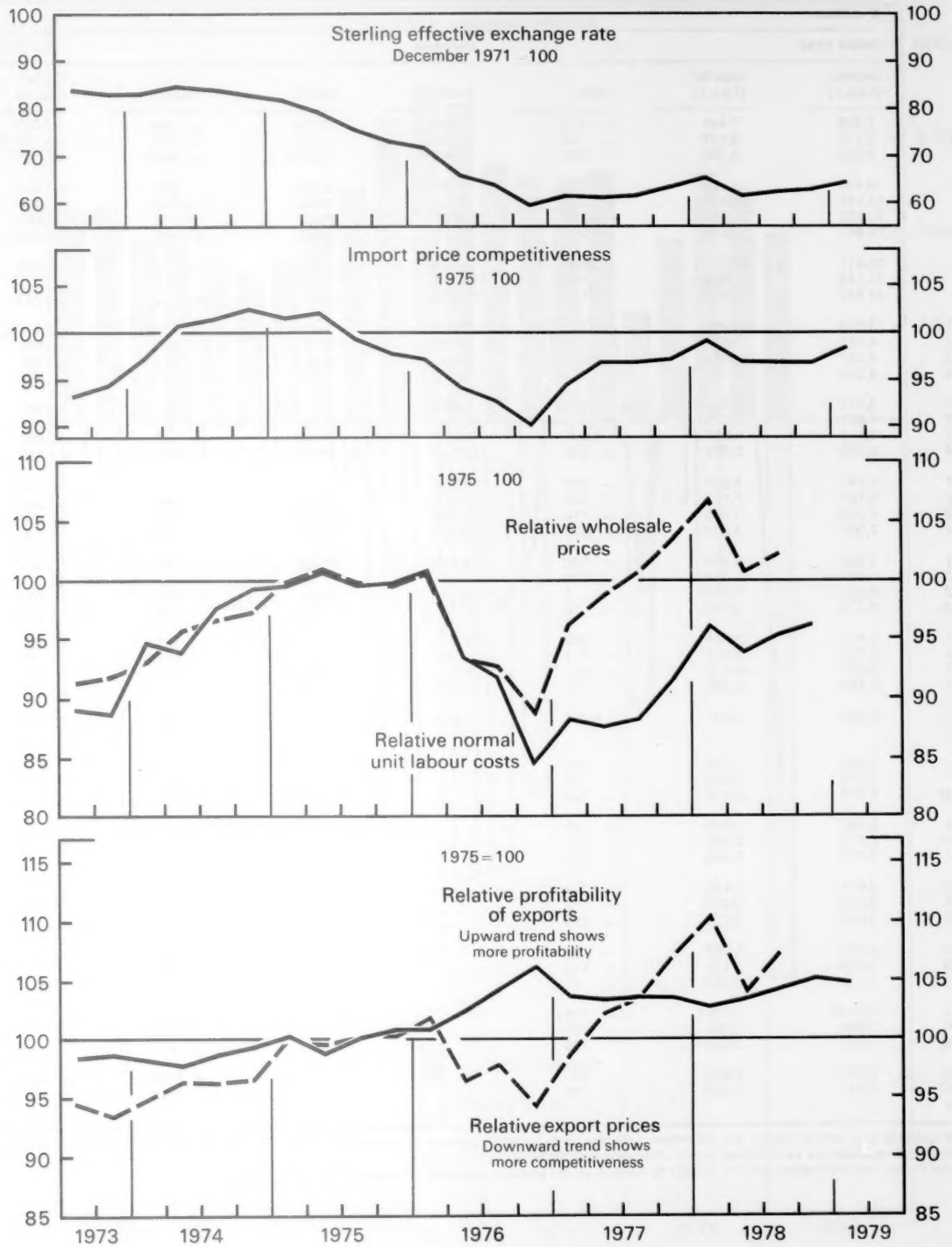
Measures of UK trade competitiveness

1975 =100

	Summary measures[1]					Export unit value index for manufactures[3]				
	Relative export prices[2]	Relative wholesale prices[2]	Relative normal unit labour costs[2]	Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
1973	97·5†	95·7	92·6†	95·9	98·2	71·7	71	79	72	75
1974	96·0	95·6	96·6	100·5	98·5	85·6	86	101	82	88
1975	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976	97·6	93·8	92·6	93·7	103·5	98·3	107	99	98	100
1977	103·0	99·8	88·8	96·4	103·6	112·6	112	108	105	110
1978			93·8	97·4	103·9	135·9			122	127
1976 *3*	97·9	92·7	..	92·8	104·4	99·1	107	99	98	101
4	94·2	88·6	84·9	90·5	106·2	98·4	110	100	98	106
1977 *1*	98·8	96·1	88·8	94·4	103·7	105·2	110	103	102	107
2	102·2	98·8	88·1	96·9	103·4	109·9	111	107	103	108
3	103·6	100·8	88·1	96·8	103·6	114.0	113	110	107	111
4	107·2	103·5	90·2	97·4	103·5	121·4	116	115	109	115
1978 *1*	110·5[4]†	107·0	94·7	98·9	102·9	131·3		118	113	122
2	104·2[4]	100·8	92·2	96·9	103·3	127·8		134	118	122
3	107·4[4]	102·2	94·1	96·9	104·2	138·4		142	126	127
4			94·3	96·9	105·2	146·2			128	137
1979 *1*				98·6	104·9					
2										
	Percentage change, quarter on corresponding quarter of previous year.									
1977 *3*	*+ 5·8*	*+ 8·7*	..	*+ 4·3*	*— 0·8*	*+15·0*	*+6*	*+11*	*+ 9*	*+10*
4	*+13·8*	*+16·8*	*+ 6·2*	*+ 7·6*	*— 2·5*	*+23·4*	*+5*	*+15*	*+11*	*+ 8*
1978 *1*	*+11·8*	*+11·3*	*+ 6·6*	*+ 4·8*	*— 0·8*	*+24·8*		*+15*	*+11*	*+14*
2	*+ 2·0*	*+ 2·0*	*+ 4·7*	*—*	*— 0·1*	*+16·3*		*+25*	*+15*	*+13*
3	*+ 3·7*	*+ 1·4*	*+ 5·8*	*+ 0·1*	*+ 0·6*	*+21·4*		*+29*	*+18*	*+14*
4			*+ 4·5*	*— 0·5*	*+ 1·6*	*+20·4*			*+17*	*+19*
1979 *1*				*— 0·3*	*+ 1·9*					
2										

	Wholesale price index[3]					Unit labour costs index[3]				
	United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1973	73·8	75·5	83·8	74·4	78·1	..	..	..	69	..
1974	86·5	90·1	100·2	79·9	90·7	80	89	83	74	89
1975	100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976	95·3	104·6	104·9	96·4	101·5	92	102	99	95	96
1977	110·8	111·1	117 8	100·6	112·9	98	109	114	101	108
1978							116	144	118	129
1976 *1*	99·6	102·7	100·4	98·9	97·4	99	101	99	97	93
2	93·4	104·0	103·3	97·2	99·6	91	101	97	95	94
3	95·0	105·4	108·1	94·5	101·7	91	102	100	94	96
4	93·3	106·5	107·7	95·0	107·1	87	104	101	94	102
1977 *1*	102·9	108·4	110·6	96·0	108·8	93	107	105†	95	102†
2	108·3	111·0	114·8	98·9	111·2	96	108	111	98	106
3	112·6	111·9	118·5	102·0	113·7	98	109	116	103	109
4	119·4	113·3	127·1	105·3	118·0	107	111	125	106	115
1978 *1*	129·8	115·5	131·5	108·7	126·9	118	116	127	109	122
2	125·7	118·3	141·5	115·5	127·5	115	116	136	113	126
3	135·0	120·5	159·9	124·9	132·3	123	116	155	120	129
4							118	157	128	138
	Percentage change, quarter on corresponding quarter of previous year.									
1977 *1*	*+ 3·3*	*+ 5·6*	*+10·2*	*— 2·9*	*+11·7*	*— 6*	*+6*	*+ 6†*	*— 2*	*+10†*
2	*+16·0*	*+ 6·7*	*+11·1*	*+ 1·7*	*+11·6*	*+ 5*	*+7*	*+14*	*+ 3*	*+13*
3	*+18·5*	*+ 6·2*	*+ 9·6*	*+ 7·9*	*+11·8*	*+ 8*	*+7*	*+16*	*+10*	*+14*
4	*+28·0*	*+ 6·4*	*+18·0*	*+10·8*	*+10·2*	*+23*	*+7*	*+24*	*+13*	*+13*
1978 *1*	*+26·1*	*+ 6·5*	*+18·9*	*+13·2*	*+16·6*	*+27*	*+8*	*+21*	*+15*	*+19*
2	*+16·1*	*+ 6·6*	*+23·3*	*+16·8*	*+14·7*	*+20*	*+7*	*+23*	*+15*	*+19*
3	*+19·9*	*+ 7·7*	*+34·9*	*+22·5*	*+16·4*	*+26*	*+6*	*+34*	*+17*	*+18*
4							*+6*	*+26*	*+21*	*+20*

[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979.
[2] Downward movements indicate greater competitiveness.
[3] All the indices are in terms of US dollars.
[4] Provisional.


Sterling effective exchange rate
December 1971 100
Import price competitiveness
1975 100
1975 100
Relative wholesale prices
Relative normal unit labour costs
1975=100
Relative profitability of exports
Upward trend shows more profitability
Relative export prices
Downward trend shows more competitiveness
1973
1974
1975
1976
1977
1978
1979

Balance of payments: current account

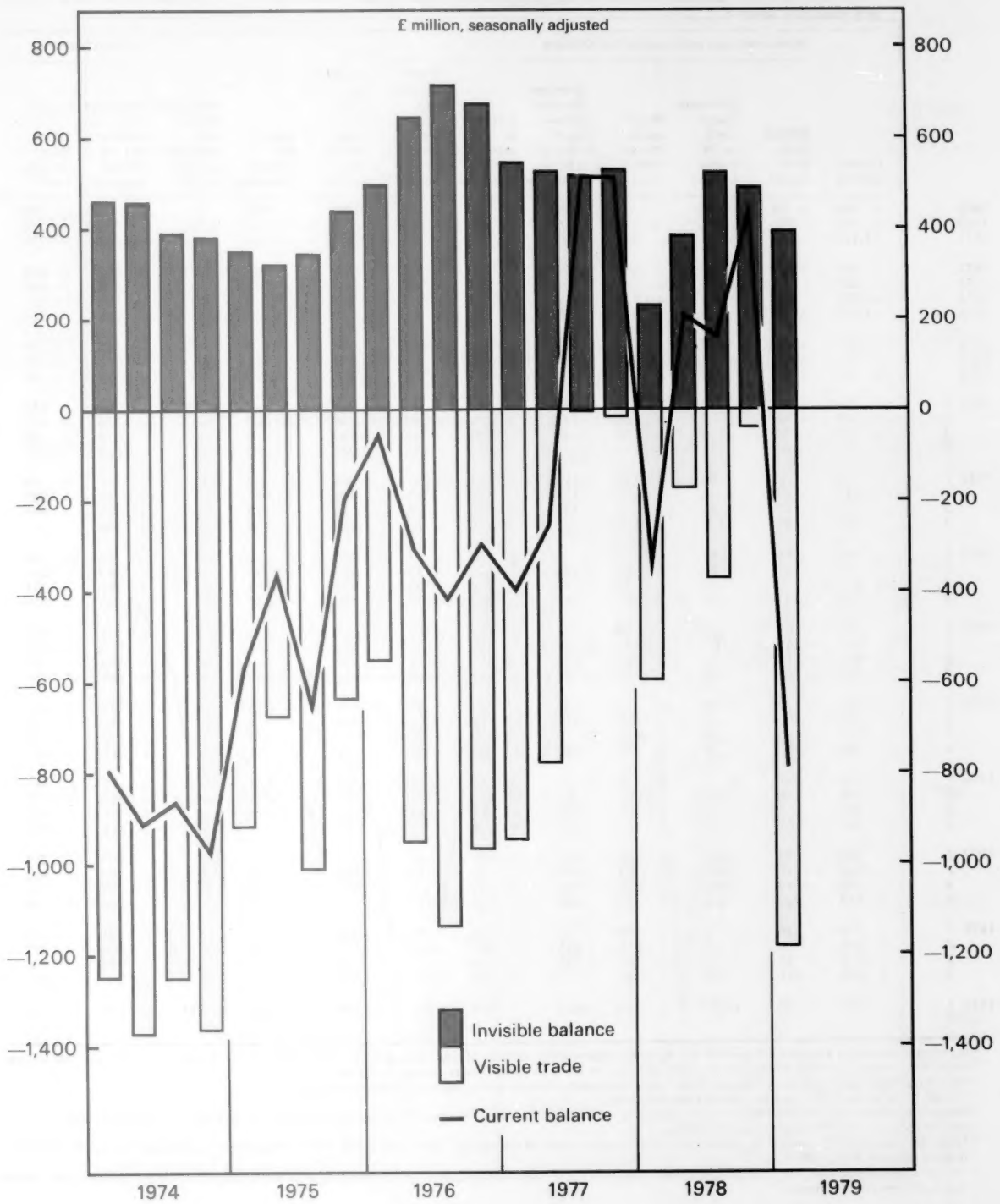
Seasonally adjusted

£ million

	Visible trade[1]			Invisibles			
	Exports (f.o.b.) §	Imports (f.o.b.) §	Total	Credits	Debits	Balance	Current balance
1969	7,269	7,441	− 172	4,339	3,704	+ 635	+ 463
1970	8,121	8,163	− 42	5,030	4,257	+ 773	+ 731
1971	9,060	8,799	+ 261	5,587†	4,747†	+ 840†	+1,101†
1972	9,450	10,172	− 722	6,165	5,286	+ 879	+ 157
1973	12,115	14,498	−2,383	8,285	6,869	+1,416	− 967
1974	16,538	21,773	−5,235	10,107	8,422	+1,685	−3,550
1975	19,463	22,699	−3,236	11,119	9,670	+1,449	−1,787
1976	25,411	29,012	−3,601	14,504	11,975	+2,529	−1,072
1977	32,148	33,892	−1,744	16,414	14,299	+2,115	+ 371
1978	35 432	36,607	−1,175	18,085	16 467	+1,618	+ 443
1974 *1*	3,618	4,868	−1,250	2,499†	2,040†	+ 459†	− 791†
2	4,152	5,524	−1,372	2,509	2,052	+ 457	− 915
3	4,393	5,644	−1,251	2,486	2,097	+ 389	− 862
4	4,375	5,737	−1,362	2,613	2,233	+ 380	− 982
1975 *1*	4,674	5,591	− 917	2,664	2,314	+ 350	− 567
2	4,601	5,275	− 674	2,708	2,388	+ 320	− 354
3	4,845	5,854	−1,009	2,771	2,429	+ 342	− 667
4	5,343	5,979	− 636	2,976	2,539	+ 437	− 199
1976 *1*	5,654	6,204	− 550	3,256	2,760	+ 496	− 54
2	6,160	7,109	− 949	3,510	2,866	+ 644	− 305
3	6,509	7,645	−1,136	3,768	3,053	+ 715	− 421
4	7,088	8,054	− 966	3,970	3,296	+ 674	− 292
1977 *1*	7,520	8,466	− 946	4,033	3,488	+ 545	− 401
2	7,921	8 700	− 779	4,064	3,538	+ 526	− 253
3	8,531	8,534	− 3	4,130	3,614	+ 516	+ 513
4	8,176	8,192	− 16	4,187	3,659	+ 528	+ 512
1978 *1*	8,408	9,004	− 596	4,257	4,030	+ 227	− 369
2	8,753	8,926	− 173	4,398	4,017	+ 381	+ 208
3	9,051	9,418	− 367	4,702	4,181	+ 521	+ 154
4	9,220	9,259	− 39	4.728	4,239	+ 489	+ 450
1979 *1*	8,390	9,571	−1,181	4,817	4,423	+ 394	− 787
2							
1978 *J*	2,603	2,928	− 325	..	..	} + 227	..
F	2,992	2,969	+ 23	..	..		..
M	2,813	3,107	− 294	..	..		..
A	2,960	2,835	+ 125	..	..	} + 381	..
M	2,873	3,055	− 182	..	..		..
J	2,920	3,036	− 116	..	..		..
J	3,011	3,158	− 217	..	..	} + 521	..
A	3,008	3,010	− 2	..	..		..
S	3,032	3,250	− 218	..	..		..
O	3,073	3,037	+ 36	..	..	} + 489	..
N	3,020	3,136	− 116	..	..		..
D	3,127	3,086	+ 41	..	..		..
1979 *J*	2,810†	2,936†	− 126†	..	..	} + 394	..
F	2,565	3,331	− 766	..	..		..
M	3,015	3,304	− 289	..	..		..
A	3,275	3,602	− 327			+ 110[2]	− 217
M	3,437	3,622	− 185			+ 110[2]	− 75
J							

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.

[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
800
600
400
200
0
—200
—400
—600
—800
—1,000
—1,200
—1,400
Invisible balance
Visible trade
Current balance
1974
1975
1976
1977
1978
1979

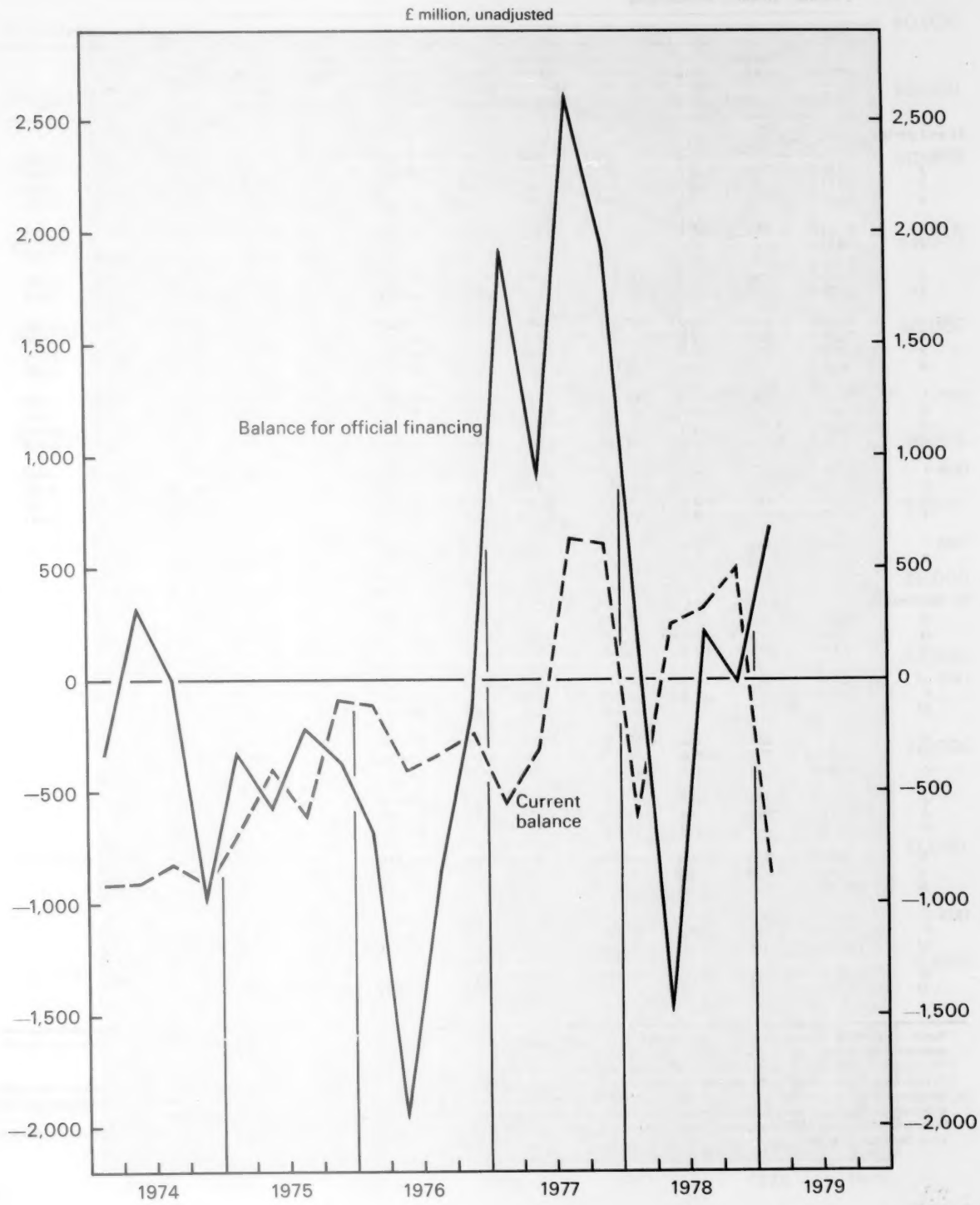
Analysis of capital transactions and official financing [1]

£ million

Not seasonally adjusted

	Investment and other capital transactions								Official financing		
	Current balance	Official long-term capital	Overseas investment in UK public sector [2]	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks [2]	Change in external sterling liabilities	Trade credit [3] and other short-term transactions	Balancing item and other capital transactions [4]	Balance for official financing [5]	Allocation of SDR and gold subscription to IMF	Drawings on (+)/additions to (−) official reserves [6]	Other transactions (net) [7]
1969	+ 463	− 99	− 56	− 6	− 38	+ 261	−227	+389	+ 687	—	− 44	− 643
1970	+ 731	−205	− 10	+ 56	+472	+ 459	−195	− 21	+1,287	+133	− 125	−1,295
1971	+1,101†	−274	+107	+ 211	+471	+1,422	−128	+236†	+3,146	+125	−1,536	−1,735
1972	+ 157	−255	+120	− 588	+471	+ 196	−613	−753	−1,265	+124	+ 692	+ 449
1973	− 967	−254	+175	− 90	+525	+ 154	−345	+ 31	− 771	—	− 228	+ 999
1974	−3,550	−276	+252	+1,169	−294	+1,558	−712	+207	−1,646	—	− 105	+1,751
1975	−1,787	−288	+ 43	+ 416	+235	− 67	− 61	+ 44	−1,465	—	+ 655	+ 810
1976	−1,072	−154†	+203	− 93	−106	−1,152	−1,619†	+364	−3,629	—	+ 853	+2,776
1977	+ 371	−287	+2,182	+ 929	+384	+1,462†	− 205	+2,525	+7,361	—	−9,588	+2,227
1978	+ 443	−315	− 81	− 723†	−519†	+ 182	−914	+801	−1,126	—	+2,329	−1,203
1971 *1*	+ 68†	− 46	+ 70	+ 115	+ 84	+ 285	+ 70	+276†	+ 922	+125	− 204	− 843
2	+ 349	− 44	+ 7	+ 55	+148	+ 277	− 98	− 91	+ 603	—	− 126	− 477
3	+ 387	− 34	+ 5	+ 54	+ 28	+ 337	+ 88	−197	+ 668	—	− 576	− 92
4	+ 297	−150	+ 25	− 13	+211	+ 523	−188	+248	+ 953	—	− 630	− 323
1972 *1*	− 17	− 42	+ 65	− 190	+114	+ 211	−165	+ 81	+ 57	+124	− 191	+ 10
2	+ 243	− 39	+ 22	− 175	−132	− 138	−375	−451	−1,045	—	+ 46	+ 999
3	− 128	− 17	+ 24	− 68	+199	− 92	− 48	+ 51	− 79	—	+ 639	− 560
4	+ 59	−157	+ 9	− 155	+290	+ 215	− 25	−434	− 198	—	+ 198	—
1973 *1*	− 366	− 55	+ 44	+ 10	+ 1	+ 170	− 57	+280	+ 27	—	− 72	+ 45
2	− 21	− 31	+ 20	+ 54	+152	+ 166	+ 39	−280	+ 99	—	− 380	+ 281
3	− 241	− 27	+ 21	− 27	+ 36	− 415	−190	+225	− 618	—	+ 254	+ 364
4	− 339	−141	+ 90	− 127	+336	+ 233	−137	−194	− 279	—	− 30	+ 309
1974 *1*	− 919	− 52	+ 32	+ 574	− 61	+ 179	−144	+ 52	− 339	—	+ 33	+ 306
2	− 901	− 42	+107	+ 307	+ 56	+ 386	−105	−127	− 319	—	− 116	+ 435
3	− 823	− 15	+ 30	+ 367	−346	+ 616	−121	+292	—	—	− 189	+ 189
4	− 907	−167	+ 83	− 79	+ 57	+ 377	−342	− 10	− 988	—	+ 167	+ 821
1975 *1*	− 689	− 73	+ 66	− 16	− 80	+ 247	− 33	+252	− 326	—	− 142	+ 468
2	− 398	− 39	—	− 315	+772	− 17	−262	−313	− 572	—	+ 410	+ 162
3	− 612	− 26	− 52	+ 571	− 15	− 379	+180	+120	− 213	—	+ 170	+ 43
4	− 88	−150	+ 29	+ 176	−442	+ 82	+ 54	− 15	− 354	—	+ 217	+ 137
1976 *1*	− 106	− 37	+ 9	+ 171	+ 94	− 75	−690†	- 44	− 678	—	− 178	+ 856
2	− 398	− 26	+ 13	− 155	− 86	− 932	−598	+226	−1,956	—	+ 354	+1,602
3	− 331	− 9†	+ 58	− 57	−272	− 137	−235	+121	− 862	—	+ 61	+ 801
4	− 237	− 82	+123	− 52	+158	− 8	− 96	+ 61	− 133	—	+ 616	− 483
1977 *1*	− 559	− 24	+498	+ 448	+421	+ 389	− 25	+765	+1,913	—	−3,197	+1,284
2	− 309	− 20	+921	+ 20	−706	− 48	− 42	+1,092	+ 908	—	−1,158	+ 250
3	+ 625	− 14	+289	+ 382	+189	+ 397	− 6	+746	+2,608	—	−3,227	+ 619
4	+ 614	−229	+474	+ 79	+480	+ 724†	−132	− 78	+1,932	—	−2,006	+ 74
1978 *1*	− 614	− 26	− 3	+ 465†	+115	+ 98	−360	+498	+ 173	—	+ 46	− 219
2	+ 244	− 9	− 15	− 125	−955	− 383	−420	+169	−1,494	—	+2,026	− 532
3	+ 314	− 39	− 13	− 531	+328	+ 168	+ 17	− 34	+ 210	—	− 54	− 156
4	+ 499	−241	− 50	− 532	− 7†	+ 299	−151	+168	− 15	—	+ 311	− 296
1979 *1*	− 870	− 26	+226†	− 235	+941	+ 615	+113	−1,284	+ 685†	+195†	− 955	+ 75†
2												

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues.
[2] Excluding borrowing under the exchange cover scheme which is included under official financing.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[4] Capital transfers and EEA loss on forward commitments.
[5] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDRs.
[6] From 23 August 1971, valued in sterling at market-related rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[7] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government and by the public bodies under the exchange cover scheme.


£ million, unadjusted
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
Balance for official financing
Current balance
1974
1975
1976
1977
1978
1979

Money stock

£ million: amounts outstanding

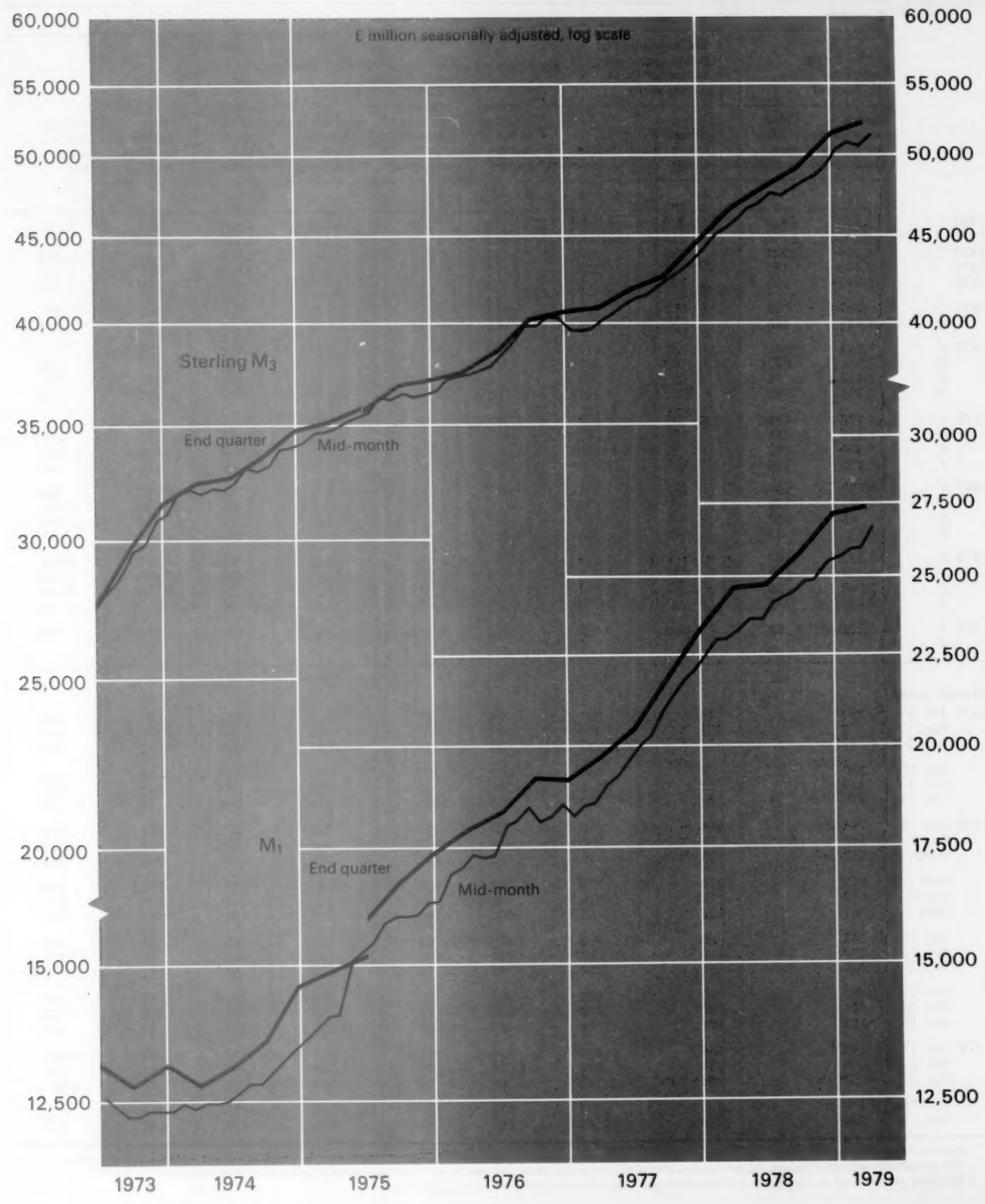
	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1974 *1*	12,750	−361	*−2·8*	32,450	870	*+2·8*	34,220	1,211	*+3·7*	5·859	2·366	2·254
2	13,100	346	*+2·7*	32,680	240	*+0·7*	34,860	647	*+1·9*	6·293	2·498	2·355
3	13,530	432	*+3·3*	33,520	843	*+2·6*	36,020	1,163	*+3·3*	6·574	2·644	2·470
4	14,550	1,020	*+7·5*	34,840	1,302	*+3·9*	37,230	1,200	*+3·3*	6·398	2·628	2·453
1975 *1*	14,830	268	*+1·8*	35,210	337	*+1·0*	37,730	458	*+1·2*	6·453	2·707	2·529
2[2]	15,170	326	*+2·2*	35,730	506	*+1·4*	38,080	338	*+0·9*	6·733	2·883	2·697
	15,900			35,710			38,070					
3	16,730	830	*+5·2*	36,900	1,187	*+3·3*	39,700	1,625	*+4·3*	6·596	2·930	2·736
4[4]	17,340	593	*+3·5*	37,200	300†	*+0·8*	40,170	480†	*+1·2*	6·593	3·031	2·812
1976 *1*	17,920	555	*+3·2*	37,670	445	*+1·2*	40,820	619	*+1·5*	6·642	3·128	2·892
2	18,310	386	*+2·2*	38,650	971	*+2·6*	42,220	1,386	*+3·4*	6·660	3·161	2·906
3	19,190	879	*+4·8*	40,300	1,658	*+4·3*	44,330	2,126	*+5·0*	6·729	3·196	2·915
4	19,150	− 32	*−0·2*	40,570	294	*+0·7*	44,540	229	*+0·5*	6·849	3·247	2·955
1977 *1*	19,750	596	*+3·1*	40,800	256	*+0·6*	45,080	566	*+1·3*	6·797	3·250	2·950
2	20,470	726	*+3·7*	41 900	1,097	*+2·7*	46,570	1,485	*+3·3*	6·871	3·342	3·015
3	21,820	1,345	*+6·6*	42,710	807	*+1·9*	47,130	555	*+1·2*	6·902	3·450	3·115
4[5]	23,330	1,510	*+6·9*	44,660	1,956	*+4·6*	48,940	1,815	*+3·9*†	6·612	3·417	3·108
1978 *1*	24,250	927	*+4·0*	46,710†	2,059	*+4·6*	51,240†	2,316	*+4·7*	6·442	3·355	3·060
2	24,610†	366	*+1·5*	48,020	1,322	*+2·8*	53,260	2,023	*+3·9*	6·495	3·352	3·039
3	25,790	1,181†	*+4·8*	49,260	1,245	*+2·6*	54,180	942	*+1·8*	6·536†	3·390	3·069
4	27,190	1,397	*+5·4*	51,380	2,138	*+4·3*	56,250	2,079	*+3·8*	6·339	3·340†	3·041
1979 *1*	27,430	248	*+0·9*	52,100	728	*+1·4*	56,760	526	*+0·9*			
2												
At mid-month												
O	21,360	489	*+2·3*	42,570	400	*+0·9*	46,550	162	*+0·3*	..	..	..
N	21,800	445	*+2·1*	42,880	322	*+0·8*	46,600	68	*+0·1*	..	..	..
D	22,120	332	*+1·5*	43,440	575	*+1·3*	47,240	651	*+1·4*	..	..	..
1978 *J*[5]	22,590	497	*+2·2*	44,210	818	*+1·9*	47,900	675	*+1·4*	..	..	..
F	22,940	351	*+1·6*	45,030	824	*+1·9*	48,800	908	*+1·9*	..	..	..
M	23,100	171	*+0·7*	45,320	296	*+0·7*	49,410	612	*+1·3*	..	..	..
A	23,340	237	*+1·0*	45,980	670	*+1·5*	50,630	1,234	*+2·5*	..	..	..
M	23,690	364	*+1·6*	46,530	566	*+1·2*	51,550	924	*+1·8*	..	..	..
J	23,660	− 28	*−0·1*	46,930	402	*+0·9*	52,020	474	*+0·9*	..	..	..
J	24,210	549	*+2·3*	47,600	670	*+1·4*	52,520	495	*+1·0*	..	..	..
A	24,370	150	*+0·6*	47,390	−225	*−0·5*	51,890	−640	*−1·2*	..	..	..
S	24,620	249	*+1·0*	47,880	477	*+1·0*	52,900†	504†	*+1·0*	..	..	..
O	24,860	235	*+1·0*	48,270	365	*+0·8*	52,910	480	*+0·9*	..	..	..
N	24,910	44	*+0·2*	48,620	343	*+0·7*	53,560	652	*+1·2*	..	..	..
D	25,500	585	*+2·3*	49,370	743	*+1·5*	54,240	664	*+1·2*	..	..	..
1979 *J*	25,720	203	*+0·8*	50,410	1,002	*+2·0*	55 120	839	*+1·5*	..	..	..
F	25,940	222	*+0·9*	50,950	530	*+1·1*	55,830	700	*+1·3*	..	..	..
M	25,950	5†	—	50,570	−387	*−0·8*	55,170	−660	*−1·2*	..	..	..
A	26,740	789	*+3·0*	51,300	731†	*+1·4*†	55,880	705†	*+1·3*	..	..	..
M	26,740	3	—	51,930	629	*+1·2*	56,800	917	*+1·6*	..	..	..
J												

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M seasonally adjusted.

[2] The break in the series at end-March 1973 shows the effect of a change in contributors.

[3] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [4] The amounts outstanding at end-December 1975 are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.

[5] From end-December 1977 the coverage of UK holders of dollar certificates of deposit has been somewhat expanded: the effect of this has been excluded from the change in M_3.


£ million seasonally adjusted, log scale
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
12,500
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
60,000
55,000
50,000
45,000
40,000
30,000
27,500
25,000
22,500
20,000
17,500
15,000
12,500
1973
1974
1975
1976
1977
1978
1979

Domestic credit expansion and money stock

Seasonally adjusted[1]

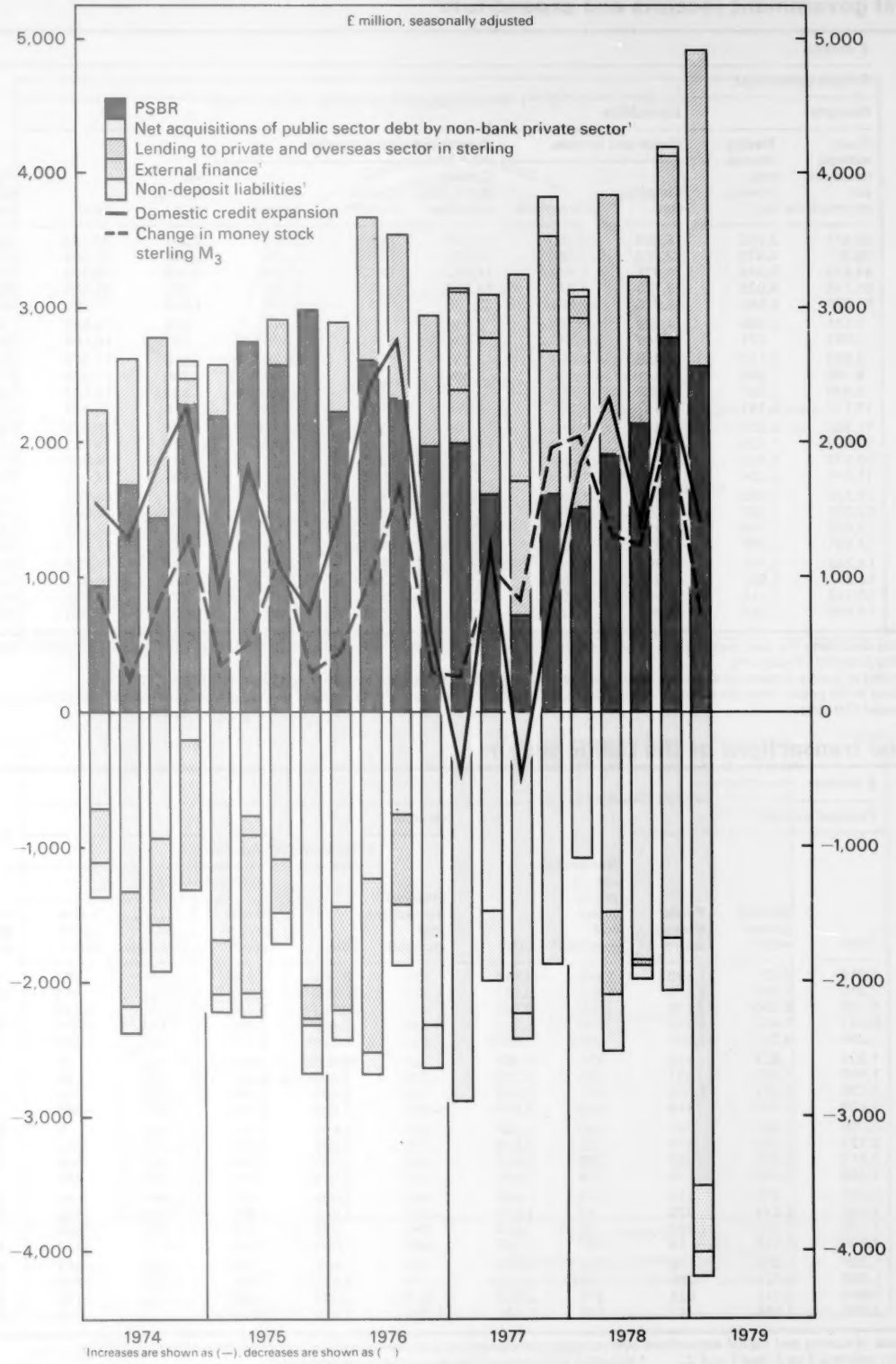
£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by the non-bank private sector							
	Central government borrowing requirement	Other public sector contribution	Other public sector	Central government	Sterling lending to the private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	1	2	3	4	5	6	7	8	9	10
1974	3,523	2,864	2,319	858	3,435	289	6,934	2,997	682	3,255
1975	8,345	2,150†	214†	5,347†	− 373	− 35	4,527†	1,299†	898†	2,330†
1976	6,786	2,321	296	5,459	3,466	647	7,467	2,720	1,181	3,565
1977	4,469	1,486	551	7,914	3,188	406	1,083	−3,439	391	4,132
1978	8,377†	−23	−320	6,414	4,705†	1,054†	8,019	420	830	6,769
1974 *3*	797	650	460	480	1,302	21	1,830	634	353	843
4	1,535	748	595	− 394	63	118	2,283	1,119	− 138	1,302
1975 *1*	1,348	841	9	1,677	499	−124	878	409	132	337
2	2,106†	643†	189	557	− 294	148	1,857	1,176	175	506
3	2,493	78	− 137†	1,232	− 422	22	1,076†	− 338	227	1,187
4	2,398	588	153	1,881†	− 156	− 81	716	52	364†	300†
1976 *1*	1,778	438	− 26	1,474	322	344	1,435	758†	231	445
2	1,923	631	117	1,120	801	260	2,428	1,282	175	971
3	1,855	462	95	659	1,022	200	2,785	678	450	1,658
4	1,230	740	110	2,206	1,124	−157	622	2	325	294
1977 *1*	1,450	546	467	2,421	474	− 85	− 503	− 734	− 25	256
2	1,383	234	195	1,273	970	182	1,301	− 325	530	1,097
3	55	667	− 41	2,283	831	158	− 530	−1,527	189	807
4	1,581	39	− 70	1,937	897	151	800	− 853	− 303	1,956
1978 *1*	1,357	182	− 144	1,233	744	644†	1,838	− 164	− 57	2,059
2	2,364	−462	− 461	1,951	1,636	291	2,339	608	409	1,322†
3	2,169	−30	347	1,491	1,043	48	1,390	44	101	1,245
4	2,487†	287	− 62	1,739	1,277	73	2,447	− 68	377†	2,138
1979 *1*	1,207	1,359	509	3,009	2,428	− 75	1,401	499	174	728
2										
Month ended										
1977 July 20	−393		443	681	74	55	− 502	− 933	41	390
Aug. 17	6		226	920	439	107	− 142	− 392	113	137
Sept. 21	− 79		444	693	166	− 28	− 190	− 808	12	606
Oct. 19	350		− 27	884	520	129	88	− 283	− 29	400
Nov. 16	429		17	498	306	41	295	− 170	143	322
Dec. 14	430		25	537	305	121	344	− 157	− 74	575
1978 Jan. 18	796		−126	678	122	111	225	− 351	−242	818
Feb. 15	196		− 24	187	453	305	743	− 184	103	824
March 15	332		135	575	483	207	582	48	238	296
April 19	613		274	270	294	135	1,046	511	−135	670
May 17	1,088		−176†	510	796†	39	1,237	546	125	566
June 21	767		302	1,193	501	140	517	74	41	402
July 19	243		30	559	428	− 21	121†	− 463	− 86†	670
Aug. 16	390		−468	450	311	28	− 189	− 63	99	− 225
Sept. 20	1,420		− 24	734	16	− 19	659	− 95	277	477
Oct. 18	400		− 60	228	397	− 13	496	178†	− 47	365
Nov. 15	926		−186	779	443	−117	287	− 164	108	343
Dec. 13	789		401	709	474	137†	1,092	291	58	743
1979 Jan. 17	583		156	494	494	62	801	− 187	− 14	1,002
Feb. 21	719		331	920	1,097	−138	1,089	305	254	530
Mar. 21	− 7		306	1,319†	760	− 3†	−263	95	29	−387
April 18	1,494		135	1,341	528	30	846	110	5	731†
May 16	733		−208	509	869	60	945	171	145	629

Relationship between columns 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.


£ million, seasonally adjusted
PSBR
Net acquisitions of public sector debt by non-bank private sector[1]
Lending to private and overseas sector in sterling
External finance[1]
Non-deposit liabilities[1]
Domestic credit expansion
Change in money stock sterling M3
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
1974
1975
1976
1977
1978
1979
[1]Increases are shown as (—), decreases are shown as ( )

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers					
			Consumption	Investment	Current grants and subsidies	Capital transfers	Debt interest	Net lending, etc.[3]	Total	Public expenditure[4]
1974	29,871	3,705	16,564	4,450	11,191	1,092	3,608	2,239	39,144	36,112
1975	38,371	4,473	22,962	5,064	14,359	1,193	4,210	3,756	51,544	47,634
1976	44,574	5,344	26,671	5,492	16,967	1,422	5,456	2,365	58,373	53,923
1977	51,119	6,029	29,173	4,979	19,469	1,552	6,442	250	61,865	56,667
1978	56,820	6,543	32,618	4,656	23,106	1,951	7,279	1,646	71,256	65,055
1974 *3*	7,591	1,005	4,280	1,161	2,909	273	1,046	923	10,592	9,671
4	7,967	971	4,748	1,136	3,235	282	909	554	10,864	10,142
1975 *1*	9,623	1,112	5,458	1,357	3,331	376	1,138	1,210	12,870	11,849
2	8,739	1,043	5,441	1,130	3,575	201	798	790	11,935	11,072
3	9,839	1,207	5,866	1,208	3,614	297	1,242	880	13,107	12,028
4	10,170	1,111	6,197	1,369	3,839	319	1,032	876	13,632	12,685
1976 *1*	11,362	1,372	6,409	1,693	4,106	386	1,537	939	15,070	13,804
2	10,535	1,239	6,611	1,210	4,241	308	1,013	500	13,883	12,926
3	10,933	1,429	6,729	1,301	4,209	323	1,639	741	14,942	13,700
4	11,744	1,304	6,922	1,288	4,411	405	1,267	185	14,478	13,493
1977 *1*	13,230	1,568	7,020	1,572	4,712	506	1,863	431	16,104	14,712
2	12,202	1,399	7,266	1,022	4,879	353	1,315	−178	14,657	13,592
3	12,696	1,726	7,372	1,184	4,820	330	1,758	89	15,553	13,915
4	12,991	1,336	7,515	1,201	5,058	363	1,506	−92	15,551	14,448
1978 *1*	14,785	1,730	7,993	1,433	5,596	678	2,019	67	17,786	16,128
2	13,293	1,541	7,978	955	5,699	388	1,485	422	16,927	15,639
3	13,744	1,716	8,147	1,151	5,775	424	1,979	717	18,193	16,398
4	14,998	1,556	8,500	1,117	6,036	461	1,796	440	18,350	16,890

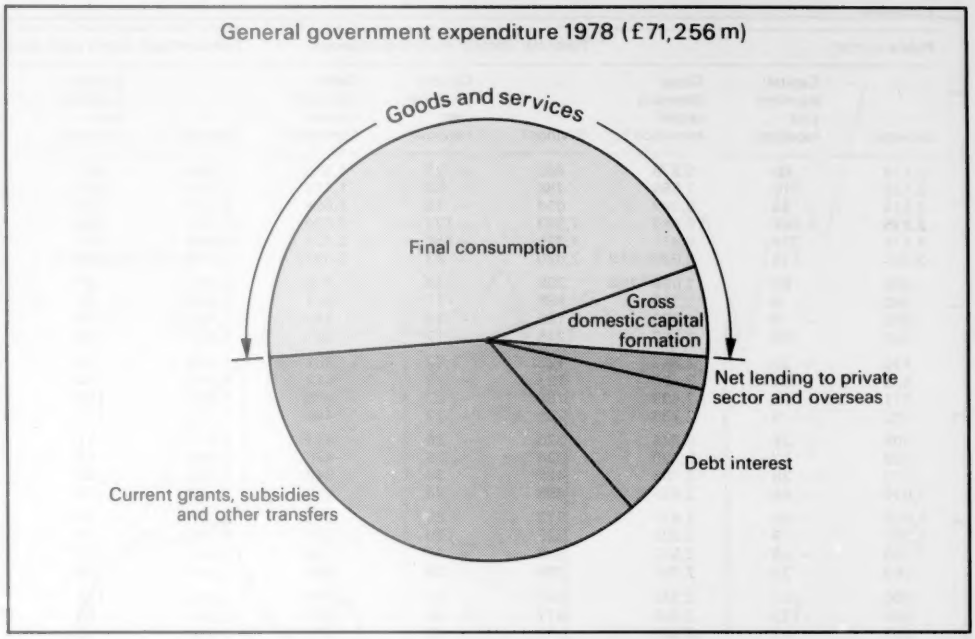
[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7439). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

Financial transactions of the public sector

£ million

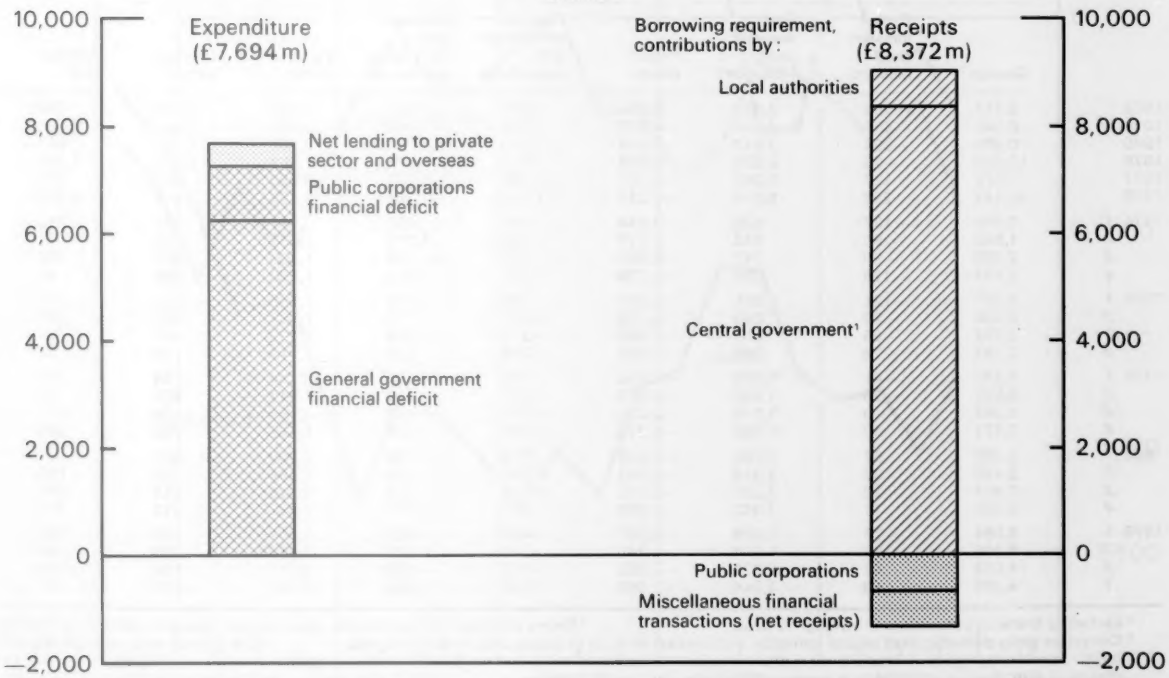
	Financial deficit[1]					Receipts					
							Borrowing requirement				
								Contributions by:			
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total[5§]
1974	4,819	3,331	1,488	1,696	6,515	128	6,387	3,523	2,107	757	6,387
1975	7,916	4,944	2,972	1,831	9,747	−739	10,486	8,345	1,629	512	10,486
1976	8,248	6,090	2,158	1,286	9,534	427	9,107	6,786	1,103	1,218	9,107
1977	5,627	4,467	1,160	152	5,779	−175	5,954	4,469	183	1,302	5,954
1978	7,254	6,247	1,007	440†	7,694†	−655†	8,349†	8,377†	661	−689†	8,349†
1975 *1*	1,838	925	913	424	2,262	757	1,505	956	523	26	2,189
2	1,960	1,363	597	330	2,290	−799	3,089	2,391	604	94	2,749
3	2,225	1,181	1,044	451	2,676	192	2,484	2,253	205	26	2,564
4	1,893	1,475	418	626	2,519	−889	3,408	2,745	297	366	2,984
1976 *1*	2,138	1,397	741	363	2,501	894	1,607	1,414	188	5	2,216
2	2,123	1,609	514	431	2,554	−370	2,924	2,204	274	446	2,603
3	2,619	1,839	780	288	2,907	645	2,262	1,655	279	328	2,316
4	1,368	1,245	123	204	1,572	−742	2,314	1,513	362	439	1,972
1977 *1*	1,087	875	212	315	1,402	402	1,000	572	463	−35	1,995
2	1,458	1,234	224	12	1,470	−576	2,046	1,803	−256	499	1,617
3	1,782	1,042	740	22	1,804	865	939	210	269	460	722
4	1,300	1,316	− 16	−197	1,103	−866	1,969	1,884	−293	378	1,620
1978 *1*	1,339	1,204	135	−114	1,225	624	601	534	709	−642	1,538
2	1,966	1,671	295	156†	2,122†	−97	2,219†	2,659	−135	−305†	1,905†
3	2,640	2,016	624	273	2,913	614†	2,299	2,259	158	−118	2,140
4	1,309	1,356	− 47	125	1,434	−1,796	3,230	2,925†	− 71	376	2,766

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2. [3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations. [5] Calendar year constrained.


General government expenditure 1978 (£71,256 m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers

Financial transactions of the public sector 1978

£ million



[1]Including borrowing matched by on-lending to local authorities and public corporations

Sector financial accounts

Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,174	50	5,878	882	— 76	1,303	7,143	347	8,733
1974	2,626	110	7,555	784	— 66	1,458	7,521	332	12,257
1975	2,115	— 34	9,997	664	— 16	1,698	8,507	404	9,292
1976	2,835	—201	10,882	1,363	—129	2,036	11,804	358	13,140
1977	4,478	—234	9,871	1,329	—150	2,377	12,605	257	14,683
1978	3,094	—578	9,770	2,020	— 83	3,087†	12,688	365	15,359†
1974 *1*	386	69	1,699	239	— 14	374	1,952	82	2,942
2	942	— 6	1,713	195	— 17	361	1,933	90	3,399
3	895	— 9	1,976	105	— 18	342	1,780	77	3,165
4	403	56	2,167	245	— 17	381	1,856	83	2,751
1975 *1*	110	— 35	2,342	123	62	361	1,940	94	2,348
2	632	34	2,420	127	— 28	412	2,047	84	2,206
3	671	— 24	2,499	189	— 27	479	1,957	116	2,399
4	702	— 9	2,736	225	— 23	446	2,563	110	2,339
1976 *1*	506	— 24	2,774	220	— 26	457	2,477	91	2,673
2	803	— 42	2,770	220	— 35	496	2,884	97	2,974
3	510	— 39	2,703	425	— 34	543	3,025	82	3,549
4	1,016	— 96	2,635	498	— 34	540	3,418	88	3,944
1977 *1*	1,075	— 94	2,627	373	— 33	513	3,311	75	4,124
2	1,251	— 79	2,326	322	— 39	506	3,245	86	3,936
3	1,390	— 39	2,522	366	— 40	702	3,048	47	3,312
4	762	— 22	2,396	268	— 38	656	3,001	49	3,311
1978 *1*	800	—257	2,340	281	51	826†	2,953	131	3,513†
2	826	—133	2,438	477	— 42	782	3,261	88	3,952
3	553	— 92	2,513	611	— 42	693	3,338	68	3,804
4	915	— 96	2,479	651	— 50	786	3,136	78	4,090

	Personal sector			Net acquisition of financial assets[4]					
	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[3]	Residual error[6]
1973	5,942	—380	2,953	—2,654	—497	—1,243	2,609	1,026†	759†
1974	8,548	—451	3,144	—4,819	—740	—4,404	4,953	3,625	1,385
1975	10,901	—354	3,644	—7,916	—1,050	—381	6,903	1,787	657
1976	12,420	—28	4,529	—8,248	—802	—978	7,863	1,072	1,093
1977	13,276	127	5,383	—5,627	—1,198	—1,821	8,020	—371	997
1978	16,143	296	6,676	—7,254	—1,150†	—2,306†	9,763	—443	1,390
1974 *1*	1,830	—137	826	—1,244	—149	—908	867	791	643
2	1,949	—96	822	—777	—183	—1,376	1,031	944	361
3	2,235	—90	740	—1,090	—255	—1,308	1,405	902	346
4	2,534	—128	756	—1,708	—153	—812	1,650	988	35
1975 *1*	2,851	—121	831	—2,267	—176	—314	1,899	567	291
2	2,535	—90	890	—1,754	—313	—75	1,555	354	233
3	2,732	—65	935	—1,852	—317	—326	1,732	667	96
4	2,783	—78	988	—2,043	—244	334	1,717	199	37
1976 *1*	3,234	—41	1,039	—2,292	—263	—105	2,154	54	452
2	3,027	—20	1,060	—2,009	—311	7	1,947	305	61
3	3,382	—9	1,179	—2,232	—152	—442	2,194	421	211
4	2,777	42	1,251	—1,715	—76	—438	1,568	292	369
1977 *1*	3 290	52	1,283	—1,646	—173	—738	2,059	401	97
2	3,180	32	1,318	—1,154	—223	—605	1,894	253	—165
3	2,914	32	1,320	—1,171	—376	—217	1,626	—513	651
4	3,892	11	1,462	—1,656	—426	—261	2,441	—512	414
1978 *1*	3,194	75	1,508	—1,797	—494†	—429†	1,761	369	590
2	4,206	87	1,604	—1,745	—347	—603	2,689	—208	214
3	4,058	66	1,820	—2,052	—124	—398	2,304	—154	424
4	4,685	68	1,744	—1,660	—185	—876	3,009	—450	162

[1] Excluding financial transactions in writing-off debt.

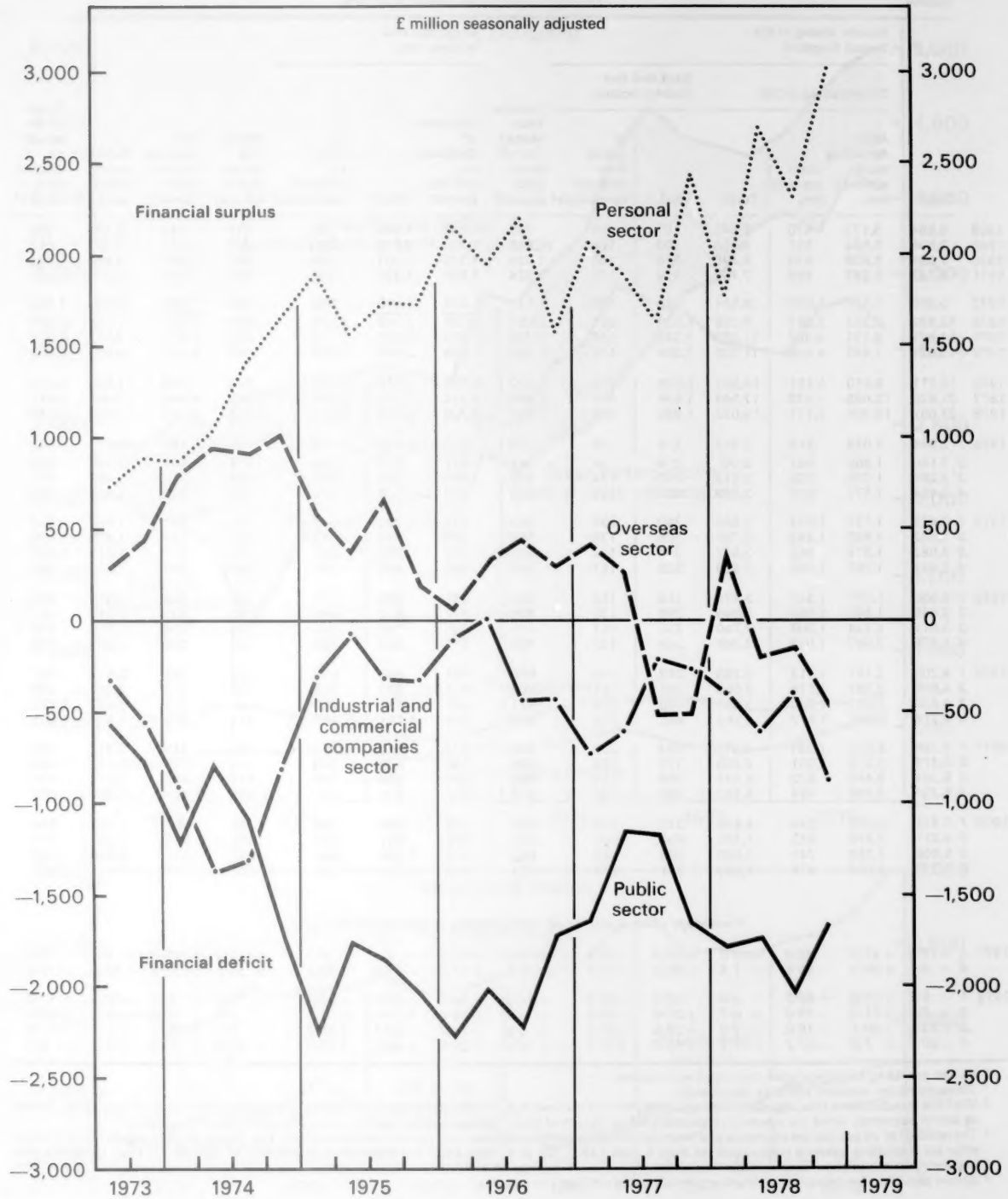
[2] Before providing for depreciation stock appreciation and addition to reserves.

[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.

[4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress.

[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.

[6] The residual error in the national income accounts


£ million seasonally adjusted
3,000
2,500
2,000
1,500
1,000
500
0
—500
—1,000
—1,500
—2,000
—2,500
—3,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1973
1974
1975
1976
1977
1978
1979

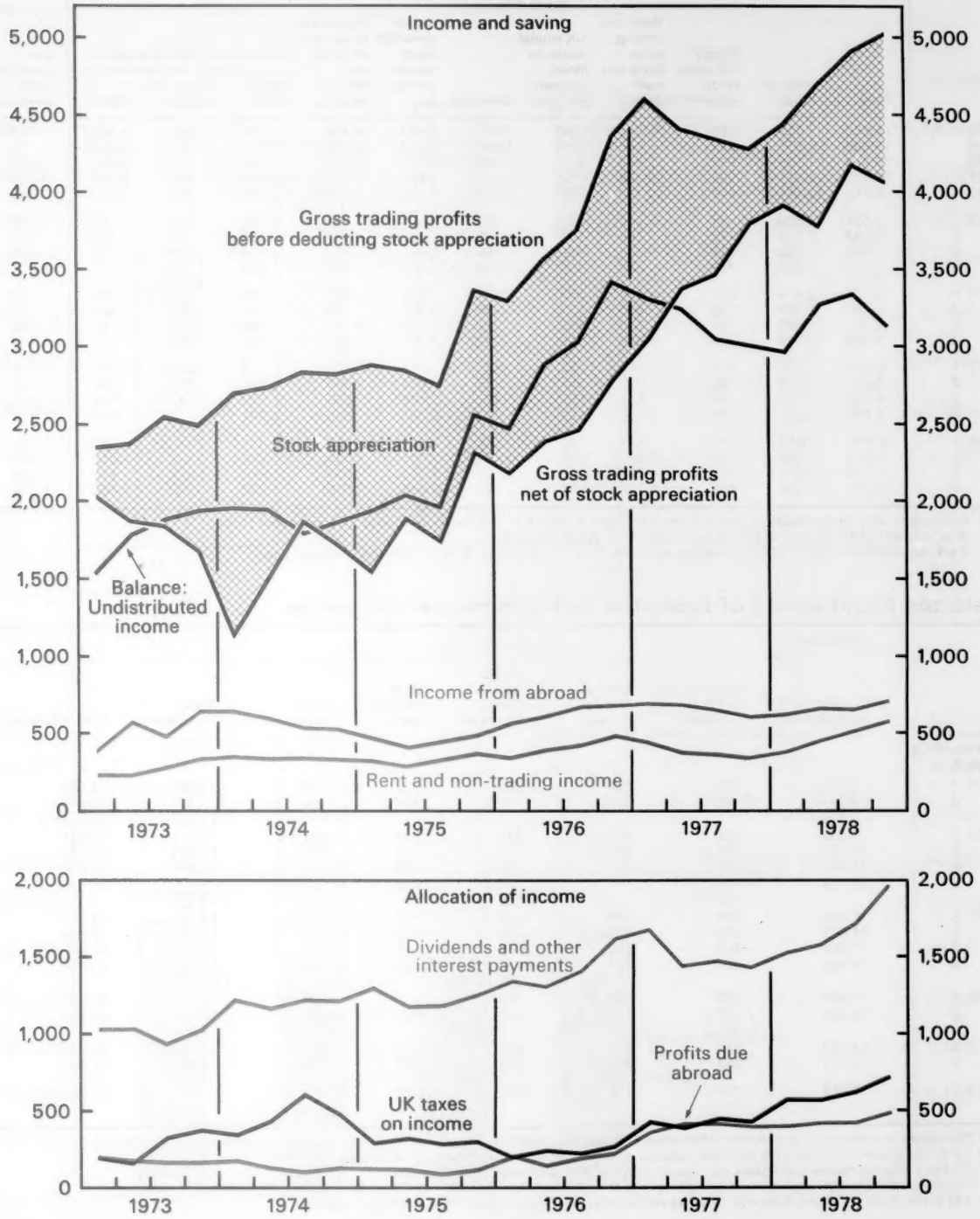
Appropriation account of industrial and commercial companies

£ million Seasonally adjusted

	Income							Allocation of income						
		Income arising in the United Kingdom						Dividends and interest, etc.						
		Gross trading profits			Rent and non-trading income									
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1968	6,854	5,172	470	5,642	457	139	755	1,434	1,067	656	311	919	3,123	705
1969	7,604	5,564	591	6,155	504	165	945	1,554	1,219	756	259	1,013	3,559	819
1970	7,984	5,608	838	6,446	514	151	1,024	1,378	1,301	799	322	1,297	3,686	1,041
1971	8,727	6,297	888	7,185	518	135	1,024	1,530	1,320	792	397	1,104	4,376	1,334
1972	9,906	7,128	1,036	8,164	628	196	1,114	1,524	1,510	969	549	1,082	5,241	1,592
1973	12,832	7,393	2,357	9,750	1,029	501	2,053	1,638	2,365	1,806	665	1,021	7,143	2,360
1974	14,671	6,191	4,867	11,058	1,325	695	2,288	1,469	3,340	2,716	525	1,816	7,521	4,012
1975	15,021	7,462	4,458	11,920	1,309	619	1,792	1,608	3,309	2,674	447	1,150	8,507	3,453
1976	19,111	9,810	5,151	14,961	1,613	814	2,537	1,852	3,815	3,156	744	896	11,804	4,116
1977	21,825	13,665	3,978	17,943	1,526	651	2,656	2,242	3,757	3,068	1,578	1,643	12,605	3,841
1978	23,601	15,901	3,171	19,072	1,892	855	2,637	2,706	4,047	3,473	1,714	2,446	12,688	3,477
1973 *1*	2,944	2,028	319	2,347	219	96	378	526	505	386	188	189	1,536	483
2	3,140	1,860	501	2,361	218	90	561	511	522	392	171	151	1,785	486
3	3,284	1,835	708	2,543	272	134	469	319	609	454	151	318	1,887	611
4	3,464	1,670	829	2,499	320	181	645	282	729	574	155	363	1,935	780
1974 *1*	3,678	1,121	1,574	2,695	340	192	643	432	792	647	170	332	1,952	938
2	3,652	1,489	1,242	2,731	326	170	595	355	811	657	126	427	1,933	1,068
3	3,692	1,874	953	2,827	334	172	531	357	855	691	103	597	1,780	1,024
4	3,649	1,707	1,098	2,805	325	161	519	325	882	721	126	460	1,856	982
1975 *1*	3,650	1,531	1,347	2,878	315	150	457	431	868	711	125	286	1,940	896
2	3,649	1,890	1,056	2,946	298	130	405	377	800	641	122	303	2,047	863
3	3,517	1,734	1,006	2,740	332	157	445	389	801	637	95	275	1,957	979
4	4,205	2,307	1,049	3,356	364	182	485	411	840	685	105	286	2,563	715
1976 *1*	4,205	2,181	1,112	3,293	343	159	569	487	848	673	200	193	2,477	947
2	4,555	2,387	1,178	3,565	381	181	609	431	872	709	136	232	2,884	986
3	4,835	2,461	1,289	3,750	408	204	677	449	954	787	194	213	3,025	1,122
4	5,516	2,781	1,572	4,353	481	270	682	485	1,141	987	214	258	3,418	1,061
1977 *1*	5,756	3,032	1,581	4,613	444	230	699	572	1,101	916	353	419	3,311	992
2	5,474	3,375	1,031	4,406	373	156	695	508	929	760	417	375	3,245	1,009
3	5,361	3,469	872	4,341	364	143	656	555	906	733	414	438	3,048	954
4	5,234	3,789	494	4,283	345	122	606	607	821	659	394	411	3,001	886
1978 *1*	5,431	3,904	534	4,438	373	136	620	704	808	646	399	567	2,953	874
2	5,811	3,778	922	4,700	450	200	661	625	951	808	410	564	3,261	873
3	6,066	4,165	741	4,906	508	240	652	615	1,088	941	413	612	3,338	843
4	6,293	4,054	974	5,028	561	279	704	762	1,200	1,078	492	703	3,136	887
	Percentage change, quarter on corresponding quarter of previous year													
1977 *3*	*+10·9*	*+41·0*	*−32·4*	*+15·8*	*−10·8*	*−29·9*	*− 3·1*	*+23·6*	*− 5·0*	*− 6·9*	*+113·4*	*+105·6*	*+ 0·8*	*−15·0*
4	*− 5·1*	*+36·2*	*−68·6*	*− 1·6*	*−28·3*	*−54·8*	*−11·1*	*+25·2*	*−28·0*	*−33·2*	*+ 84·1*	*+ 59·3*	*−12·2*	*−16·5*
1978 *1*	*− 5·6*	*+28·8*	*−66·2*	*− 3·8*	*−16·0*	*−40·9*	*−11·3*	*+23·1*	*−26·6*	*−29·5*	*+ 13·0*	*+ 35·3*	*−10·8*	*−11·9*
2	*+ 6·2*	*+11·9*	*−10·6*	*+ 6·7*	*+20·6*	*+28·2*	*− 4·9*	*+23·0*	*+ 2·4*	*+ 6·3*	*− 1·7*	*+ 50·4*	*+ 0·5*	*−13·5*
3	*+13·2*	*+20·1*	*−15·0*	*+13·0*	*+39·6*	*+67·8*	*+ 0·6*	*+10·8*	*+20·1*	*+28·4*	*− 0·2*	*+ 39·7*	*+ 9·5*	*−11·6*
4	*+20·2*	*+ 7·0*	*+97·2*	*+17·4*	*+62·6*	*+128·7*	*+16·2*	*+25·5*	*+46·2*	*+63·6*	*+ 24·9*	*+ 71·0*	*+ 4·5*	*+ 0·1*

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memoranda.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and financial companies and institutions accruals of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the fourth quarter of 1978 the amount of advance corporation tax included was £288 million.
[5] Before providing for depreciation, stock appreciation and additions to reserves.

£ million, seasonally adjusted



Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
									Acquisition of financial assets			
	Total	Internal funds[1]	Import and other credit received	Bank borrowing, other loans and mortgages[2]	UK capital issues by listed companies (net)	Overseas	Gross domestic fixed capital formation	Increase in book value of stocks and work in progress	Liquid assets[3]	Investment abroad	Other	Unidentified items (residual)
1974	14,588†	7,719	685	4,521†	70	1,593	6,062	6,195	141	825	1,158†	207†
1975	12,600	8,907	272	912	1,252	1,257	6,734	2,558	1,813†	191	1,264	40
1976	17,418	11,268	912	2,983	827	1,428	8,014	5,126	1,889	716	2,422	−749
1977	19,030	13,027	586	3,098	662	1,657†	9,678	5,005	2,954	645	2,085	−1,337
1978	19,445	13,561†	477	3,192	741	1,474	11,126	4,233†	2,814	854†	2,218	−1,800
1975 *1*	2,864†	1,800	46	742†	51	225	1,523	799	193	144	37†	168†
2	2,783	2,176	−75	156	351	175	1,572	539	−236	226	904	− 222
3	2,640	2,102	−18	−350	420	486	1,832	477	1,374 †	−209	−428	− 406
4	4,313	2,829	319	364	430	371	1,807	743	482	30	751	500
1976 *1*	3,324	2,434	221	−137	228	578	1,611	924	145	121	597	− 74
2	4,625	2,704	240	986	436	259	1,917	990	724	205	861	− 72
3	3,947	2,592	55	812	140	348	2,229	1,350	696	135	−10	− 453
4	5,522	3,538	396	1,322	23	243	2,257	1,862	324	255	974	− 150
1977 *1*	4,956	3,271	267	749	34	635	1,964	2,022	126	205	− 46	685
2	4,961	3,343	68	788	344	418	2,495	1,368	545	377	780	− 604
3	4,220	3,132	46	457	182	403	2,435	657	922	42	504	− 340
4	4,893	3,281	205	1,104	102	201†	2,784	958	1,361	21	847	−1,078
1978 *1*	4,803	3,011	254	677	18	843	2,571	893†	437	43†	−86	945
2	4,770	3,392	− 18	1,029†	345	22	2,757	1,134	825	−71	1,018	− 893
3	4,085	3,630	−194	357	265	27	2,760	996	516	313	−172	− 328
4	5,787	3,528	435	1,129	113	582	3,038	1,210	1,036	569	1,458	−1,524

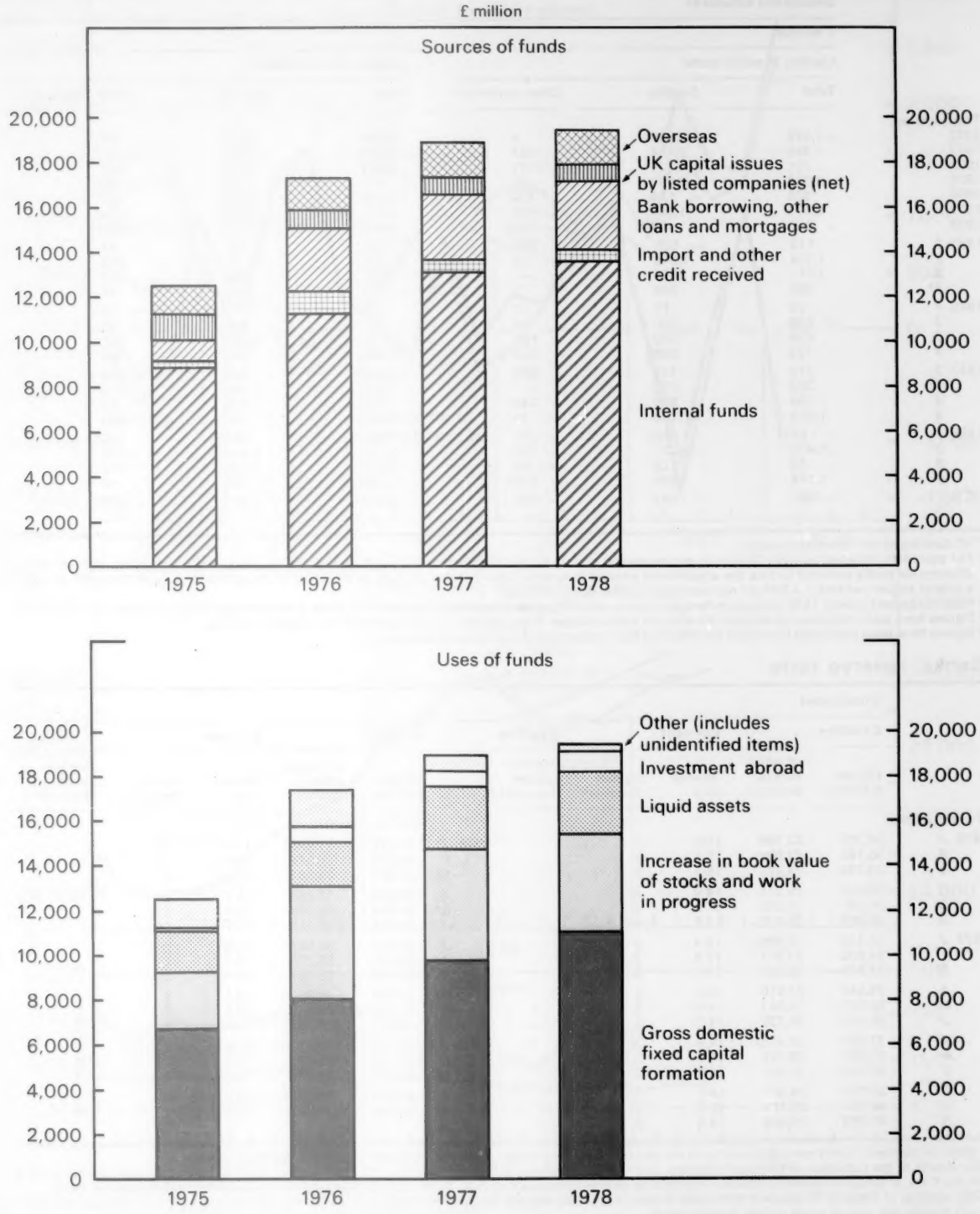
[1] Before providing for depreciation, stock appreciation and additions to reserves and adjusted for unremitted profits.
[2] After addition of 40 per cent of the excess of debit over credit transit items.
[3] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items.

Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Deposits with banking sector[1,2,3]	Deposits with building societies	Deposits with finance houses[1]	British government securities	Local authority debt	Other identified[1,4]	Total identified[1]	Bank advances[1,5]
1975 *3*	9,482†	184	159	149	723	386	11,081	18,188
4	9,744 / 9,734	185	136	175	741	356	11,337 / 11,327	18,362 / 18,466†
1976 *1*	9,697	222	183	216	730	567	11,615	18,461
2	10,252	251	193	255	712	690	12,353	19,840
3	11,002	273	203	257	706	430	12,871	20,650
4	11,174	289	210	298 / 289	932	240	13,137 / 13,128	21,778
1977 *1*	11,225	304	201	301	867	301	13,208	22,047
2	11,463	336	224	336	783	464	13,629	22,808
3	11,940	363	220	353	705	753	14,370	22,998
4	12,982	401	214	377 / 437	577	689† / 710	15,295 / 15,376	23,459
1978 *1*	13,484	426	211	419†	591	548	15,734	23,854
2[6]	14,208	446 / 333	256	439	591	466	16,421 / 16,293	25,220
3	14,127	314	258	447	616	683	16,445	25,175
4	14,777	293	230	447	666	787	17,200	25,962
1979 *1*	13,719	334		522	717			27,282
2								

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit. [3] After deducting 60% item in transit.
[4] Treasury bills, tax reserve certificates, tax deposit accounts, and certificates of tax deposits.
[5] Including refinanceable export and shipbuilding credits with effect from mid-May 1972 and after addiing 40% items in transit.
[6] The break in series for deposits with building societies is due to new returns from building societies.


£ million
Sources of funds
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1975
1976
1977
1978
Overseas
UK capital issues by listed companies (net)
Bank borrowing, other loans and mortgages
Import and other credit received
Internal funds
Uses of funds
Other (includes unidentified items)
Investment abroad
Liquid assets
Increase in book value of stocks and work in progress
Gross domestic fixed capital formation

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1972	−1,026	−1,030	4	6,434	5,511	923
1973	1,995	1,134	861	6,828	5,671	1,157
1974	701	− 370	1,071	4,671	3,734	937
1975	3,380	3,097	283	121	− 375	496
1976	300	− 134	434	3,388	3,140	248
1977	2,373	1,691	682	4,711	3,492	1,219
1978	− 346†	63†	− 409†	5,806†	4,717†	1,089†
1975 *1*	113	− 185	298	190	231	− 41
2[5]	1,334	1,346	− 12	204	− 35	239
3	1,641	1,641	—	− 175	− 426	251
4[4]	292	295	− 3	− 98	− 145	47
1976 *1*	28	11	17	254	319	− 65
2	− 246	− 300	54	713	795	− 82
3	838	680	158	1,165	1,014	152
4	− 123	− 328	205	1,058	815	243
1977 *1*	312	− 191	503	1,264	708	556
2	202	202	—	1,213	1,054	159
3	795	546	249	869	808	61
4	1,080	1,150	− 70	1,349	906	443
1978 *1*	− 54†	175†	− 229	846†	644†	202†
2	−1,471	−1,231	− 240	2,115	1,639	476
3	68	128	− 60	1,444	1,125	319
4	1,116	996	120†	1,396	1,304	92
1979 *1*	− 981	− 833	− 148	2,710	2,417	293
2						

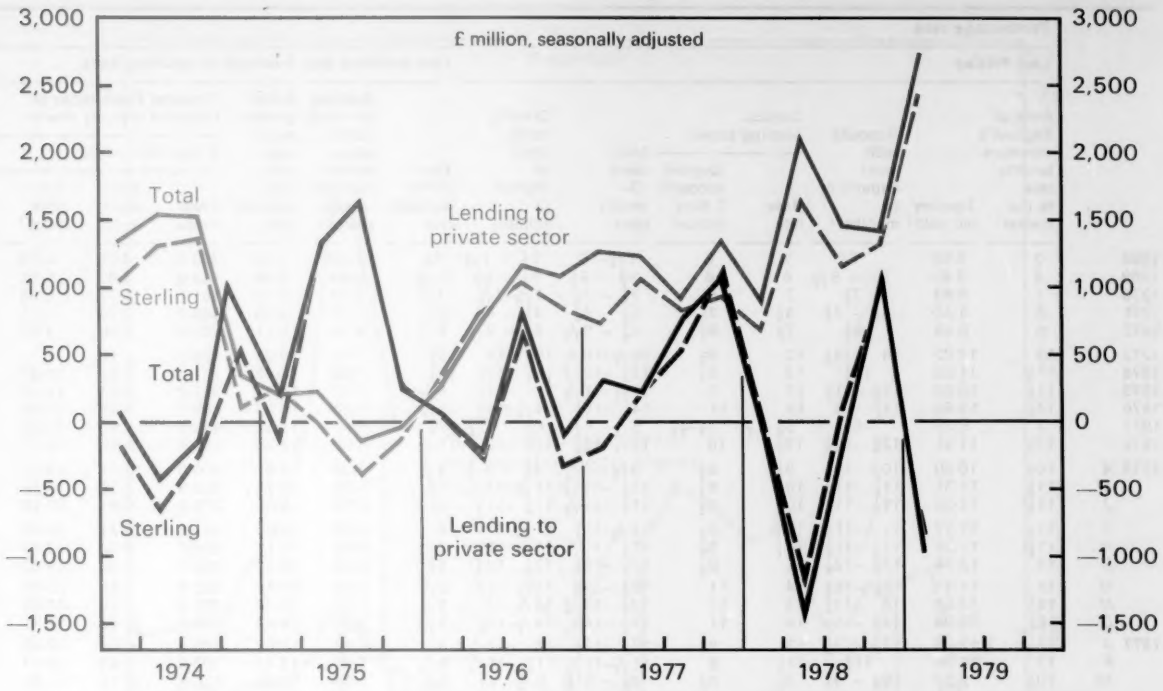
[1] UK banking sector: changes in assets.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

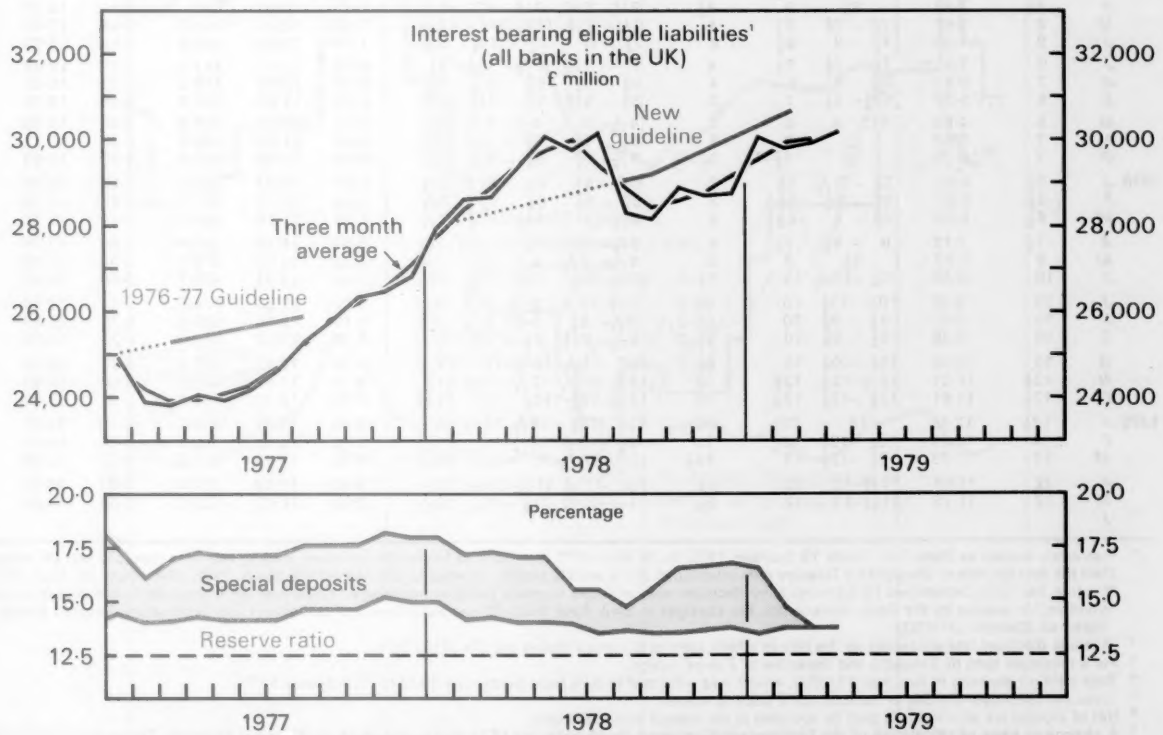
Banks' reserve ratio

Unadjusted

	£ million		Per cent		£ million		£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]
At mid-month							**At mid-month**				
1976 *J*	34,987	23,766	14·2	3		1978 *J*	41,678†	27,985†	14·8	3	
A	35,185	23,955	15·1	3		*F*	42,225	28,615	14·0	3	
S	35,796	24,392	15·4	3		*M*	42,557	28,680	14·2†	3	
O	36,623	25,216	14·4	4		*A*	43,863	29,369	13·9	3	
N	37,281	26,085	13·9	5		*M*	44,514	30,108	13·9	3	
D	36,878	25,422	13·8	5		*J*	44,355	29,718	13·8	1½	
1977 *J*	36,148	24,996	14·4	3		*J*	45,022	30,167	13·4	2	
F	34,835	23,911	13·8	2		*A*	43,404	28,274	13·5	1	
M	34,978	23,839	13·9	3		*S*	43,508	28,141	13·4	2	
A	35,844	24,010	14·2	3		*O*[4]	44,832	28,889	13·4	3	
M	35,827	23,943	14·0	3	1	*N*	44,634	28,680	13·5	3	1
J	36,278	24,221	14·0	3	—	*D*	45,001	28,734	13·6	3	2
J	37,094	24,672	14·0	3	1	1979 *J*	45,982	30,077	13·4	3	2
A	37,692	25,319	14·5	3		*F*	45,553	29,773	13·6	1	3
S	38,795	25,801	14·5	3		*M*	46,082	29,909	13·6	—	2
O	39,709	26,321	14·5	3		*A*	47,507†	30,179†	13·6	—	1
N	40,209	26,495	15·1	3		*M*	48,407	31,357	13·5	2	4
D	40,850	26,804	14·8	3		*J*					

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.
[3] For details of the activation of the supplementary special deposit scheme between November 1976 and August 1977, see the additional notes to Table 3 in the Bank of England Quarterly Bulletin. The scheme was re-introduced in June 1978, but no payments can become due until November 1978.
[4] The addition of National Girobank to this series in October inflated eligible liabilities by £310 million and the reserve ratio by 0·1%; hitherto this bank was outside the normal credit control arrangements.





[1]Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day	Average of working days			
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares: 1 July 1935=100 — Price index	Dividend yield	Earnings yield[7]
1968		7	6·89	7¾	7	5	7⅛ – 8	7⅝ – 7⅝	7½	4·50	7·39	463·3	4·05	4·99
1969		8	7·80	9 – 9 1/16	8	6	9⅜ – 9½	9½ – 9¾	11 3/16	5·00	8·88	419·8	4·43	5·82
1970		7	6·93	7¼	7	5	7⅛ – 7¼	7 5/16–7 5/16	7 1/16	5·00	9·16	361·0	4·75	6·54
1971		5	4·46	4½ – 4⅝	4½	2½	4⅜ – 4⅜	4⅜ – 4⅜	5⅜	5·00	9·05	386·2	4·76	6·21
1972		9	8·48	8¾	7½	5¾	8⅞ – 9 1/16	8 3/16 – 9 1/16	5 3/16	5·25	9·11	503·8	3·26	4·98
1973		13	12·82	16 –16½	13	9½	16 1/16–16 5/16	15⅜ –16	10⅜	7·50	10·85	435·6	4·12	..
1974		11½	11·30	13½	12	9½	12½ –12 3/16	12⅜ –12¾	10½	7·50	14·95	251·2	8·23	21·47
1975		11¼	10·93	11¼ –11⅜	11	7	11 1/16–11 3/16	11 –11¼	6 1/16	7·00	14·66	311·0	6·81	19·49
1976		14½	13·98	14⅜ –15	14	11	14⅛ –14⅜	14 1/16–14⅛	5 1/16	7·80	14·25	368·0	5·96	17·61
1977		7	6·39	6¾	6¾–7½	3½–4½	6 9/16– 6¾	6⅜ – 6 7/16	7½	6·00	12·32	452·3	5·42	16·50
1978		12½	11·91	12⅜ –12½	12½	10	12 7/16–12⅜	12⅜ –12½	11 3/16	8·00	12·38	482·4	5·98	15·73
1976	*A*	10½	10·20	10⅛ –10¼	9½	5½	9 13/16–10 1/16	9⅞ – 9 15/16	5 1/16	7·00	13·97	406·0	5·13	15·17
	M	11½	11·31	11¼ –11⅜	10½	6½	11¼ –11 1/16	11 5/16–11 7/16	6⅝	6·50	13·72	406·6	5·26	15·19
	J	11½	11·30	11⅛ –11¼	10½	6½	11⅛ –11 7/16	11¼ –11⅜	6 1/16	6·50	14·01	378·6	5·69	16·14
	J	11½	11·17	11 3/16–11¼	10½	6½	11 3/16–11⅛	11 3/16–11¼	5 13/16	6·50	13·95	383·8	5·74	16·44
	A	11½	11·25	11⅛ –11 5/16	10½	6½	11⅛ –11 5/16	11 5/16–11⅛	5 1/16	6·50	14·11	368·1	6·03	17·55
	S	13	12·74	12⅞ –12⅞	12	8½	12⅛ –12⅜	12⅛ –12⅜	5⅜	6·50	14·47	344·0	6·52	19·23
	O	15	14·97	15¼ –15½	14	11	15⅛ –15⅜	15 3/16–15¼	5 7/16	6·50	15·43	293·6	7·61	23·07
	N	14⅜	14·54	15 –15⅛	14	11	14⅜ –14 5/16	14 5/16–14 1/16	5 5/16	7·80	15·22	301·0	7·28	22·66
	D	14½	13·98	14⅜ –15	14	11	14⅛ –14⅜	14 1/16–14⅛	5 1/16	7·80	14·82	328·6	6·67	20·91
1977	*J*	12¼	12·09	12⅜ –13⅜	13	9½	12⅛ –12⅜	12 –12 1/16	5¼	7·80	13·67	374·7	6·01	18·69
	F	12	11·06	11⅜	11½	8	11 5/16–11 7/16	11⅛ –11 3/16	5 3/16	7·80	13·47	393·8	5·83	18·77
	M	10½	9·57	9¼ – 9⅜	9½	6¼	9⅜ – 9 1/16	9 9/16– 9⅜	5 7/16	7·80	12·85	418·2	5·39	16·91
	A	8¼	7·64	8¼	9	4½	7 13/16– 8 1/16	7 13/16– 7⅞	5 5/16	7·80	12·55	415·1	5·51	16·82
	M	8	7·57	7⅜ – 7⅞	8½	4	7 1/16– 7 1/16	7 1/16– 7⅛	6 1/16	7·00	12·41	456·7	5·08	15·54
	J	8	7·60	7⅞ – 8	8½	4	7⅜ – 8	7⅜ – 7 3/16	5 5/16	7·00	12·85	450·5	5·19	15·83
	J	8	7·44	7⅜ – 7⅜	8½	4	7⅜ – 7 1/16	7 5/16– 7 1/16	6¼	6·70	13·11	443·1	5·37	16·09
	A	7	6·52	6⅜ – 6⅜	8	4	6⅜ – 6⅜	6⅜ – 6 1/16	6⅜	6·70	12·58	478·6	5·23	15·26
	S	6	5·37	5 3/16– 5⅞	7	3	5⅜ – 5 1/16	5⅜ – 5 3/32	6 29/32	6·70	11·52	522·8	5·08	14·98
	O	5	4·53	4¾ – 5	6	3	4 5/16– 5	4 5/16– 4 5/16	7¼	6·70	10·84	511·9	5·26	15·55
	N	7	6·53	6¾	6	3	6½ – 7⅛	6⅜ – 6 1/16	7 3/32	6·00	11·04	480·5	5·56	16·72
	D	7	6·39	6¾	6¾–7½	3½–4½	6 9/16– 6¾	6⅜ – 6 5/16	7⅛	6·00	10·90	481·6	5·56	16·83
1978	*J*	6½	5·85	6¼ – 6 5/16	6½	3	6 5/16– 6¼	6¼ – 6¼	7 1/16	6·00	10·67	482·3	5·57	16·96
	F	6½	6·07	6⅜ – 6¾	6½	3	6⅜ – 6⅜	6⅜ – 6¾	7 5/16	5·50	11·21	457·9	5·85	17·74
	M	6½	6·02	6⅜ – 7	6½	3	6 1/16– 7	6 1/16– 6 1/16	7 1/16	5·50	11·18	454·9	5·94	17·51
	A	7½	7·12	8 – 8⅛	7½	4	8 3/16– 8⅛	8⅛ – 8¼	7 23/32	5·50	11·65	460·9	5·85	17·25
	M	9	8·67	9¼	9	6	9 5/16– 9 7/16	9 5/16– 9¼	7 13/32	5·50	12·07	476·6	5·58	16·86
	J	10	9·49	9⅞ –10 1/16	10	6½–7	10 1/16–10¼	9 15/16–10 1/16	8 13/32	5·50	12·31	466·1	5·68	16·65
	J	10	9·33	10⅛ –10¼	10	6½–7	9 13/16–10 5/16	9 13/16– 9 13/16	8 17/32	6·70	12·20	472·2	5·62	17·06
	A	10	9·03	9¼ – 9⅜	10	6½–7	9 5/16– 9⅜	9 5/16– 9 5/16	8 13/32	6·70	12·15	508·8	5·28	15·88
	S	10	9·38	9⅜ – 9⅝	10	6½–7	9 7/16– 9 1/16	9¼ – 9⅜	9 5/16	6·70	12·17	516·0	5·21	15·02
	O	10	10·56	10⅜ –10 7/16	10	6½–7	10⅜ –11 1/16	10 11/16–11	11 9/32	6·70	12·42	497·5	5·42	15·09
	N	12¼	11·91	12 3/16–12¼	12½	10	12 1/16–12¼	12 1/16–12 3/16	11⅛	6·70	12·63	476·9	5·86	15·86
	D	12½	11·91	12⅜ –12½	12½	10	12 5/16–12⅜	12⅜ –12½	11 1/32	8·00	12·38	482·4	5·98	15·73
1979	*J*	12½	12·46	13	12½	10	13 –13⅛	12 9/16–12 11/16	10 31/32	8·00	12·51	474·1	6·10	16·01
	F	14	12·61	13¼ –13⅜	13½	11	12⅞ –13 1/16	12 11/16–13	10 31/32	8·00	12·63	460·2	6·18	16·16
	M	13	11·78	12⅜ –12½	13	10½	12 1/16–12 5/16	12 –12⅛	10 9/16	8·00	11·36	511·5	5·53	14·54
	A	12	11·61	11 13/16–12	12	9½	11⅞ –11 13/16	11 9/16–11 11/16	11 1/16	8·00	10·68	537·4	5·37	14·32
	M	12	11·79	11 13/16–12	12	9½	11 13/16–11 15/16	11⅜ –11⅞	10 9/16	8·00	11·02	528·5	5·56	14·90
	J													

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ½% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics (HMSO)*.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

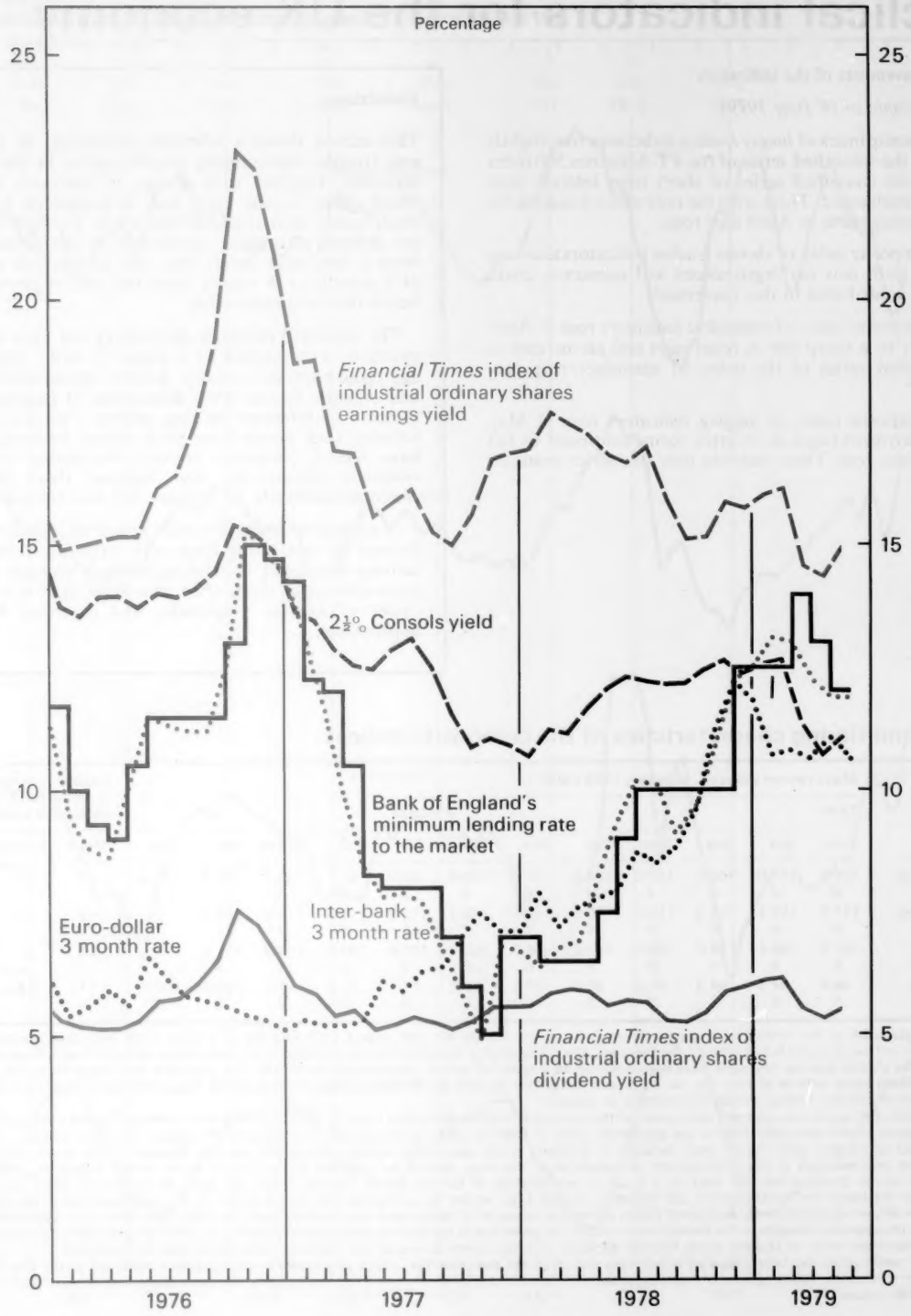
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.


Percentage
25
20
15
10
5
0
Financial Times index of industrial ordinary shares earnings yield
2½% Consols yield
Bank of England's minimum lending rate to the market
Inter-bank 3 month rate
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1976
1977
1978
1979

Cyclical indicators for the UK economy

Recent movements of the indicators

(data available to 18 June 1979)

The composite index of *longer leading* indicators rose slightly in May as the smoothed series of the FT-Actuaries 500 index rose and the smoothed series of short term interest rates remained unchanged. These were the only series available for May. Housing starts in April also rose.

The composite index of *shorter leading* indicators also rose in April. Both new car registrations and consumer credit extended[5] contributed to this movement.

The composite index of *coincident indicators* rose in April due mainly to a sharp rise in retail sales and an increase in the smoothed series of the index of manufacturing production.

The composite index of *lagging indicators* rose in May as unemployment (used in inverted form) continued to fall and vacancies rose. These were the only two series available for May.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

	Most recent values[3] January 1975 = 100												Lead (−) or lag (+) in months relative to reference cycle dates[4]		
	1978							1979							
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	Mean	Earliest	Latest
Longer leading	106·8	107·0	108·1	107·0	104·8	101·6	99·6	97·8	97·1	99·1	101·1	101·3	−12	−17	−7
	4	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*3*	*3*	*2*			
Shorter leading	111·1	113·3	114·9	113·2	110·9	108·4	108·9	112·2	114·6	115·9	118·5		−5	−9	−1
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*2*				
Coincident	107·3	108·4	108·9	108·1	107·2	106·6	105·2	104·9	105·6	108·8	111·0		+2	—	+6
	6	*6*	*6*	*6*	*6*	*6*	*6*	*4*	*4*	*4*	*3*				
Lagging	94·6	94·8	94·9	95·8	96·6	97·8	98·2	98·1	97·7	98·2	100·3	101·2	+11	+5	+18
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*2*	*2*			

[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] Two of the shorter leading indicators have been adjusted as a result of recent development work. The hire purchase new credit extended series has been deflated using indices of new car, used car and household durable goods prices. Gross trading profits have been adjusted to take account of North Sea oil activity. Further details are available on request.

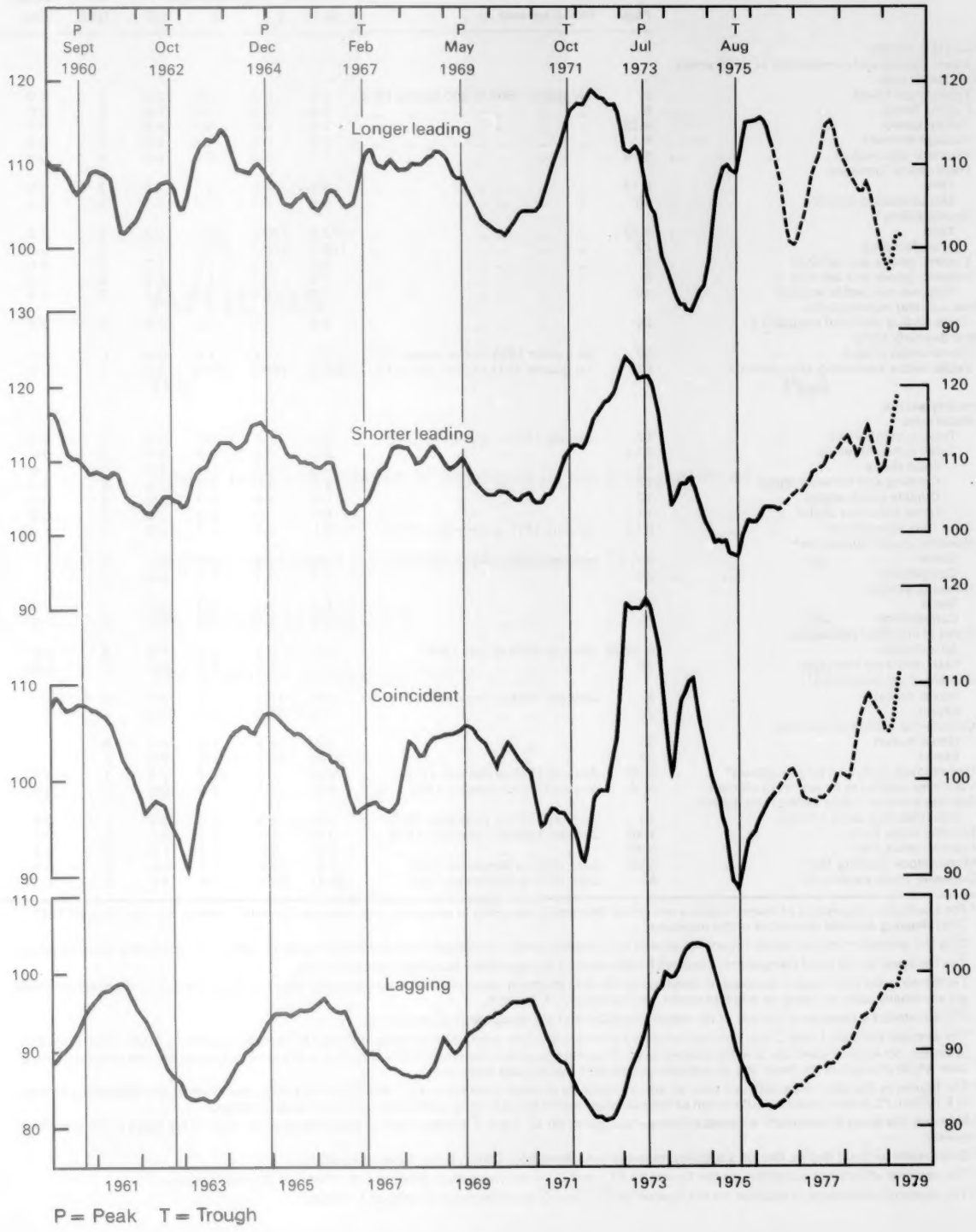
[3] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

[4] The table incorporates changes to the timing characteristics of series due to revisions to data and the rebasing on 1975 of some series. Further changes may be necessary when all rebased series become available and the current review of the reference cycle chronology is completed.

[5] A revised credit series has been prepared which uses data from the new monthly inquiry to consumer credit grantors produced by the Department of Trade. The new series, called consumer credit extended, replaces the old series of new credit extended by finance houses and retailers. Full details are available on request.

Cyclical indicators

Composite indices of indicator groups. January 1975 =100



P = Peak T = Trough

Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1978	1·3	0·8	0·9	0·9	1	0·9
Income based	6	" " " " " "	1·4	0·8	1·0	0·9	1	0·9
Output based	6,28	" " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " "	1·0	0·6	0·8	0·8	1	0·8
Consumers' expenditure	8,10	" " " " " "	1·1	0·6	0·8	0·8	1	0·8
Fixed capital formation								
Total	8,16	" " " " " "	2·0	1·6	0·9	1·9	2	0·9
Manufacturing industry	18	" " " " " "	3·9	2·5	2·4	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " "	*213·4*	*136·2*	*146·1*	0·9	1	0·9
Manufacturing	22	" " " " " "	*172·4*	*118·2*	*102·9*	1·2	2	0·5
Exports: goods and services	8	" " " " " "	3·0	2·2	1·9	1·2	2	0·5
Imports: goods and services	8	" " " " " "	2·9	2·2	1·6	1·4	2	0·5
Personal disposable income	10	" " " " " "	1·7	1·2	1·2	1·1	2	0·3
Other national income series								
Gross trading profits of companies	58	" " " " " "	3·6	2·5	3·2	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1978	2·2	1·3	1·5	0·9	1	0·9
Public sector borrowing requirement[6]	54	1st quarter 1971 to 2nd quarter 1977	*356·0*	*349·0*	*171·0*	2·0	2	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to December 1978	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	2·9	3	1·0
Clothing and footwear shops	12	" " " " "	2·1	2·0	0·4	5·4	6	0·9
Durable goods shops	12	" " " " "	1·9	1·6	0·7	2·2	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·3	2·8	3	0·9
Cars: new registrations	5,12	January 1971 to December 1978	8·1	7·8	1·7	4·6	5	1·0
Housing: public authorities[4]								
Starts	20	January 1956 to December 1978	11·6	11·3	1·7	6·5	6	
Completions	20	" " " " "	7·8	7·7	1·1	6·8	6	
Housing; private								
Starts	20	" " " " "	8·2	7·9	2·3	3·4	4	0·9
Completions	20	" " " " "	6·0	6·0	0·9	6·6	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to July 1978	0·9	0·8	0·4	1·9	3	0·9
Manufacturing industries	26	" " " " "	1·2	1·0	0·4	2·5	3	1·0
Passenger car production:								
Home market	32	January 1968 to December 1978	12·8	12·8	1·5	8·7	6	
Export	32	" " " " "	11·8	11·6	0·9	12·6	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·5	9·2	1·5	6·0	6	
Export	32	" " " " "	10·4	10·2	1·5	7·0	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to January 1978	*13·5*	*4·5*	*12·2*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	August 1960 to January 1978	*5·9*	*2·4*	*5·3*	0·5	1	0·5
Average earnings (older series): production industries and some services	40	January 1963 to December 1977	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	5,46	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.	5,46	" " " " "	2·9	2·6	1·4	1·9	2	0·9
Money stock (sterling M_3)[3]	5,50	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	52	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

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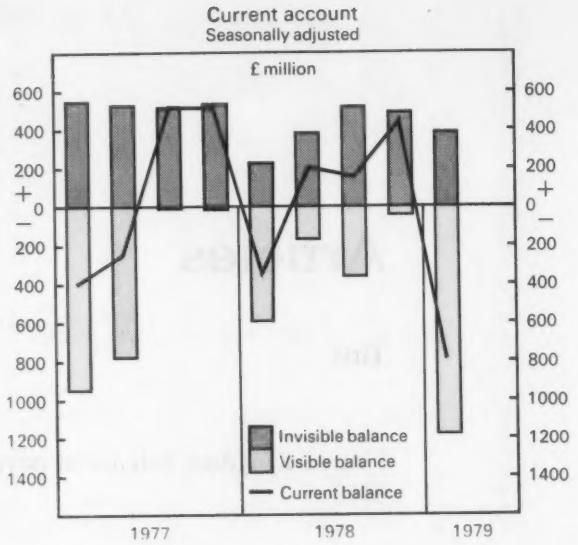
United Kingdom balance of payments in the first quarter of 1979

SUMMARY

Despite a large current account deficit, the inflows on the capital account, reflecting confidence in sterling, led to a surplus of £685 million on *current and capital accounts combined.*

There was a deficit of £787 million on *current account* in the first quarter of 1979, following a surplus of £450 million in the previous quarter. Almost all of the deterioration occurred in the deficit on visible trade which increased from £39 million in the fourth quarter to £1,189 million in the first, largely as a result of the road haulage dispute. The surplus on invisibles is estimated at £394 million, £95 million lower than the latest estimate for the fourth quarter. This was associated with an increase of about £100 million in the deficit on transfers largely because receipts from the European Communities fell back from their high level in the fourth quarter. The balance on services deteriorated by about £100 million partly as a result of falls in net earnings from civil aviation and travel; the fall also reflects the impact of the Anglo German offset agreement on the fourth quarter result. Despite a fall in UK banks' net earnings on borrowing and lending in overseas currencies, the surplus on interest, profits and dividends recovered from the fall in the fourth quarter as UK oil companies' earnings abroad rose sharply with the increase in oil prices. The surplus on the invisibles transactions of the private sector and public corporations (excluding transfers) at £1,222 million was much the same as in the previous quarter.

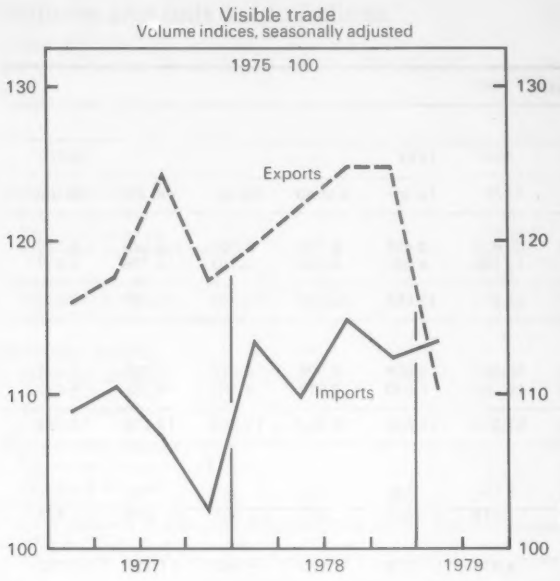


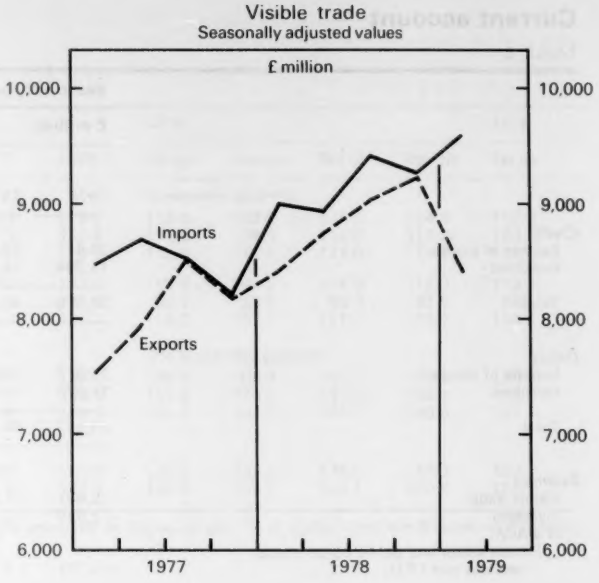
In contrast with the current account, the capital account showed a large surplus of £1,555 million (including unidentified transactions). This followed a deficit of £514 million in the previous quarter. There was a substantial net inflow into

Summary balance of payments

TABLE A

	£ million							
				1978				1979
	1976	1977	1978	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
				Seasonally adjusted				
Visible trade (balance)	−3,601	−1,744	−1,175	−596	− 173	−367	− 39	−1,181
Invisibles (balance):								
Services	+2,051	+2,948	+2,953	+712	+ 599	+799	+843	+ 744
Interest, profits and dividends	+1,315	+ 392	+ 678	+ 89	+ 222	+258	+109	+ 212
Transfers	− 837	−1,225	−2,013	−574	− 440	−536	−463	− 562
Total	+2,529	+2,115	+1,618	+227	+ 381	+521	+489	+ 394
CURRENT BALANCE	−1,072	+ 371	+ 443	−369	+ 208	+154	+450	− 787
				Not seasonally adjusted				
Current balance	−1,072	+ 371	+ 443	−614	+ 244	+314	+499	− 870
Investment and other capital transactions	−2,921	+4,465	−2,370	+289	−1,907	− 70	−682	+1,634
Balancing item	+ 364	+2,525	+ 801	+498	+ 169	− 34	+168	− 79
BALANCE FOR OFFICIAL FINANCING	−3,629	+7,361	−1,126	+173	−1,494	+210	− 15	+ 685
Allocation of SDRs	—	—	—	—	—	—	—	+ 195
Official financing								
Official reserves (drawings on, +: additions to, −)	+ 853	−9,588	+2,329	+ 46	+2,026	− 54	+311	− 955
Other official financing	+2,776	+2,227	−1,203	−219	− 532	−156	−296	+ 75





sterling deposits, British government stocks and Treasury bills, a consequence of the favourable market view towards sterling during March. But the most substantial change between the quarters was associated with UK banks' borrowing and lending in overseas currencies; in the fourth quarter, transactions in foreign currency liabilities and claims were roughly in balance but in the first quarter there was an inflow of about £940 million. Net external liabilities increased as UK banks and other UK residents switched into sterling.

With the surplus on capital account more than sufficient to finance the current account deficit, there was a surplus for *official financing* of £685 million in the first quarter. In January, the United Kingdom received the first of three annual allocations of Special Drawing Rights from the IMF; this was valued at SDR304 million, equivalent to £195 million. Further foreign currency borrowing by public bodies under the exchange cover scheme exceeded substantial repayments – mainly ahead of schedule – by £75 million. There was an inflow to the official reserves of £955 million.

DETAIL

Visible trade (seasonally adjusted)

There was a deficit of £1,181 million on visible trade in the first quarter of 1979, compared with the average quarterly deficit of £294 million in 1978. The deterioration in the deficit results largely from the impact of the road haulage dispute, and some recovery is therefore expected in the second quarter. However, because of delays in recording (see technical note on page 79) imports totalling some £300–£400 million which have been omitted from the first quarter will appear in the figures for the second quarter.

The road haulage dispute appears to have had a larger effect on exports than on imports in the first quarter. As a result exports were down compared with the previous quarter – by £830 million in value, and 12 per cent in volume. Only exports of fuels were unaffected by the dispute; they increased by £147 million (10 per cent in volume). There were sharp falls totalling £265 million in exports to Iran and Nigeria, two of Britain's more important markets outside the European Community.

Imports recorded in the first quarter were £312 million higher in value and 1 per cent higher in volume than in the previous quarter. As indicated above, the flow of imports in the quarter was understated by some £300–£400 million as a result of the industrial dispute in the civil service. A large proportion of the imports held back by the road haulage dispute had probably been recovered by the end of the quarter. The volume of imports of road vehicles increased by 24 per cent from the low fourth quarter figure. In contrast, imports of fuels fell by 10 per cent.

The unit value index for exports rose by 3 per cent, while that for imports rose by 2½ per cent, resulting in a rise of ½ per cent in the terms of trade.

More details of visible trade in the first four months of 1979 were published in *Trade and Industry* on 15 June 1979. The regular quarterly detailed analysis of visible trade, normally published in *Trade and Industry*, has been held over until second quarter figures become available.

Invisibles (seasonally adjusted figures)

Total credits in the first quarter of 1979 are estimated at £4,817 million, and total debits at £4,423 million. The surplus of £394 million is £95 million lower than the previous quarter's figure which has now been revised upwards to

Current account

TABLE B

	Seasonally adjusted							
	£ million							
				1978				1979
	1976	1977	1978	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Credits								
Exports of goods	25,411	32,148	35,432	8,408	8,753	9,051	9,220	8,390
Invisibles	14,504	16,414	18,085	4,257	4,398	4,702	4,728	4,817
Total	39,915	48,562	53,517	12,665	13,151	13,753	13,948	13,207
Debits								
Imports of goods	29,012	33,892	36,607	9,004	8,926	9,418	9,259	9,571
Invisibles	11,975	14,299	16,467	4,030	4,017	4,181	4,239	4,423
Total	40,987	48,191	53,074	13,034	12,943	13,599	13,498	13,994
Balances								
Visible trade	−3,601	−1,744	−1,175	− 596	− 173	− 367	− 39	−1,181
Invisibles	+2,529	+2,115	+1,618	+ 227	+ 381	+ 521	+ 489	+ 394
of which:								
Private sector and public corporations: services and I.P.D.	+4,771	+4,807	+4,875	+1,118	+1,150	+1,380	+1,227	+1,222
Current balance	−1,072	+ 371	+ 443	− 369	+ 208	+ 154	+ 450	− 787

£489 million. The deficit on government transactions increased by £71 million to £743 million and the surplus on the transactions of the private sector and public corporations (excluding transfers) was little changed at £1,222 million.

(i) *Services* (see Table 3)

Earnings on sea transport, at £817 million, were £18 million lower than in the previous quarter and payments, at £862 million, were £20 million lower. In the *dry cargo* account, freight earnings on cross-trades fell by £24 million to £114 million, the lowest level for several years; this was matched by a similar sharp fall in disbursements overseas. Charter receipts fell by £19 million to £87 million after showing some stability over the past year. Freight payments to overseas operators continued to increase reaching a total of £305 million as compared with £297 million in the previous quarter. In total, dry cargo credits fell by £47 million to £483 million and debits fell by £16 million to £534 million.

Earnings on *tanker* operations increased by £29 million to £334 million but payments, at £328 million, were slightly lower than in the previous quarter. Receipts for tanker freight increased by £25 million to £266 million continuing last year's upward trend. Payments for bunkers taken overseas increased but there was a fall in other foreign disbursements.

Receipts from *civil aviation* were lower than in the previous quarter: they fell by £46 million to approximately the level which obtained in the first half of 1978. UK airlines' revenue from ticket sales fell by £40 million to £186 million reflecting the impact of increased competition and cheaper fares. Overseas airlines' expenditure in the United Kingdom on items such as fuel fell by £10 million from the exceptional fourth quarter total of £109 million.

Civil aviation debits were £29 million higher at £314 million, the most important reason for this being higher disbursements overseas by UK airlines especially on fuel (though the previous quarter's expenditure had been unexpectedly low). The overall effect of the fall in credits and the increase in debits was to bring down the surplus on the civil aviation account to £25 million compared with £100 million in the fourth quarter 1978; all the fall was attributable to the activities of UK airlines.

Travel earnings are provisionally estimated at £627 million, a fall of £19 million over the previous quarter. There was a fall in the number of visits to the United Kingdom by non-residents and this can be accounted for by the especially poor weather conditions during the quarter. Travel expenditure is thought to have increased by £39 million to £459 million, most of the increase being accounted for by a rise in expenditure per visit. The resulting estimated surplus on travel of £168 million continues to show a decline over the levels achieved in the recent past. (The figures for travel earnings and expenditure have been revised back to 1971; the effect of this is to increase the value of both series but, because foreign visitors spend more in the United Kingdom than do UK residents on visits overseas, the effect has been to increase the surplus on the travel account as compared with figures published in previous balance of payments commentaries*).

Earnings from *financial services* increased by £44 million to £410 million after falling slightly in the previous quarter. *'Other services'* credits increased by £28 million to £887 million with increases being spread over most of the components of this group. 'Other services' debits increased slightly to £513 million and have shown little increase over the past twelve

* An article explaining more fully the reasons for these revisions appeared in *Trade and Industry*, 25 May 1979.

Volume and unit value indices

TABLE C

	1975 = 100							
				1978				1979
	1976	1977	1978	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Volume indices[1]				Seasonally adjusted				
Exports of goods	109·7	118·9	122·9	119·6	122·2	124·8	124·8	110·3
Exports of services	107·3	112·3	111·8	112·2	108·0	114·8	112·2	109·1
Exports of goods and services	109·0	117·0	119·7	117·5	118·2	122·0	121·3	110·0
Imports of goods	105·6	107·2	112·6	113·5	109·7	114·9	112·3	113·3
Imports of services	98·5	95·1	99·0	98·7	99·8	99·9	97·6	99·2
Imports of goods and services	104·0	104·6	109·7	110·3	107·7	111·7	109·2	110·2
Unit value indices				Not seasonally adjusted				
Exports of goods	120·7	142·5	155·1	149·6	153·2	157·0	160·6	165·6
Imports of goods	121·8	141·3	146·4	141·5	146·0	148·0	150·3	153·8
Terms of trade[2]	99·1	100·8	105·9	105·7	104·9	106·1	106·9	107·7
Implied price indices								
Exports of services	121·3	135·4	144·6	138·9	144·7	146·5	148·3	152·3
Imports of services	124·7	141·6	147·6	142·8	148·7	148·1	150·7	153·1

[1] The problems of producing these estimates and the methods employed are described on pages 34 and 35 of *United Kingdom Balance of Payments 1967–1977*.

[2] Export unit value index as a percentage of the import unit value index.

months as the fall in payments for the hire of rigs for oil and gas exploration has offset the tendency for other payments to increase.

Government services debits were £271 million compared with £242 million in the previous quarter. Sums received from West Germany towards the cost of maintaining British forces there are offset against these debits and fluctuations in receipts have distorted the series recently. In the fourth quarter of 1978 and the first of 1979, receipts under this heading were £73 million and £11 million respectively. Ignoring the effect of this 'offset', actual expenditure fell from £315 million to £282 million mainly reflecting lower expenditure on building work at German bases.

Though total credits fell by about ½ per cent compared with the previous quarter, the *volume* of exported services fell by 3 per cent. Prices increased by nearly 3 per cent, the most significant contribution to this being made by the increase in tanker rates. Imports of services increased by 3½ per cent at current prices about half of this representing a volume change and the remainder a price change.

(ii) *Interest, profits and dividends* (see Table 4)

The surplus on interest, profits and dividends, at £212 million in the first quarter, was over £100 million higher than in the fourth quarter with both credits and debits rising. Last year the surplus had increased from the low 1977 level, with a reduced deficit on the general government account. There had also been some increase in net earnings by the private sector and public corporations, but these were still over £800 million less than in 1976 despite an increase of some £400 million in credits. In the first quarter of this year, increases in credits and debits were mainly in the private sector and public corporations. Much of the rise in credits stemmed from higher earnings by UK oil companies. With many product markets strengthening, there was a substantial improvement in refiners' margins. At the same time, the cut-back in Iranian oil production and crude oil price increases also tended to increase margins and the value of stocks. On the debits side, the earnings of overseas oil companies continued to rise in the first quarter, with North Sea oil production increasing strongly in volume and value and with a continued recovery in market trading conditions boosting mainland profits.

Response to the inquiries on direct investment is particularly poor this quarter. The early returns suggest a small fall in overseas non-oil companies' direct investment earnings, probably reflecting the effects of the road haulage dispute. On the other hand earnings from UK non-oil companies' direct investment overseas recovered in the first quarter, after the sharp fall in the fourth quarter of last year.

For the private sector and public corporations, the most notable change among other credits was a sharp fall in earnings from borrowing and lending in the eurocurrency markets – from £96 million in the fourth quarter to £19 million in the first quarter. Although it is not clear why a drop should have occurred at this stage, it seems possible that this partly reflects the squeeze in margins which was reported last year. Some increase in other private sector debits included a further increase in interest payments by UK banks on external sterling accounts, reflecting the higher level of interest rates in the first quarter.

In the general government sector, earnings on the UK official reserves continued at a high level – as interest rates rose – despite the downward trend of the reserves themselves last year and the recent strength of sterling. At the same time, interest payments on the government's eurocurrency borrowing fell in the first quarter, as also did charges paid to the IMF, the latter reflecting the early payment of $1 billion to the IMF in October.

Total investment and other capital transactions

TABLE D

	Not seasonally adjusted							
	£ million							
				1978				1979
	1976	1977	1978	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Investment and other capital transactions								
Official long-term capital	− 154	− 287	− 315	− 26	− 9	− 39	− 241	− 26
Overseas investment in UK public sector								
British government stocks[1]	+ 116	+ 979	+ 15	+ 51	− 34	− 20	+ 18	+ 264
Other	+ 87	+1,203	− 96	− 54	+ 19	+ 7	− 68	− 38
Overseas investment in UK private sector	+2,063	+3,096	+2,852	+1,179	+ 429	+408	+ 836	+ 808
UK private investment overseas	−2,156	−2,167	−3,575	− 714	− 554	−939	−1,368	−1,043
Overseas currency borrowing or lending (net) by UK banks[2]								
Borrowing to finance UK investment overseas	+ 165	+ 520	+ 880	+ 150	+ 365	+180	+ 185	+ 175
Other borrowing or lending (net)[3]	− 271	− 136	−1,399	− 35	−1,320	+148	− 192	+ 766
Exchange reserves in sterling[4]:								
British government stocks	+ 14	+ 5	− 115	− 34	− 20	− 34	− 27	− 126
Banking and money market liabilities	−1,421	− 24	− 4	+ 194	− 211	+ 43	− 30	+ 267
Other banking and money market liabilities in sterling	+ 255	+1,481	+ 301	− 62	− 152	+159	+ 356	+ 474
Import credit[5]	+ 89	+ 267	+ 176	+ 142	+ 36	− 85	+ 83	+ 20
Export credit[5]*	−1,100	− 647	− 660	− 248	− 340	− 17	− 55	− 52
Other short-term transactions*	− 608	+ 175	− 430	− 254	− 116	+119	− 179	+ 145
Total investment and other capital transactions	−2,921	+4,465	−2,370	+ 289	−1,907	− 70	− 682	+1,634
* of which, UK banks' external sterling claims	−1,165	− 491	− 869	− 335	− 357	− 78	− 99	+ 81

[1] Holdings of British government stocks by non-residents other than overseas monetary authorities, which are included as exchange reserves in sterling
[2] Borrowing or lending (net) by banks and certain other financial institutions.
[3] Excluding changes in levels resulting from changes in sterling valuation; see note on pages 47 and 71 of *UK Balance of Payments 1967–77.*
[4] Sterling reserves of overseas countries and international organisations, other than the IMF, as reported by banks, etc. in the UK.
[5] Excluding trade credit between 'related' firms, after deducting advance and progress payments to suppliers. Net credit extended by UK merchants on third-country trade is included within export credit.

(iii) *Transfers* (see Table 5)

Government transfer credits from the European Communities fell to £102 million from the unusually high fourth quarter level of £165 million. Lower agricultural receipts accounted for most of the fall though receipts from the Social Fund also fell. There was a small increase in receipts from the Regional Development Fund.

Government transfer debits increased from £562 million to £579 million. Contributions to the European Communities were at much the same level as in the previous quarter and as the average for 1978. Subscriptions to other international bodies were £20 million higher at £75 million, partly resulting from an erratic pattern of payments and partly because of a new commitment – the cost of the United Nations' Peacekeeping Force in Lebanon.

Private transfer credits fell slightly to £135 million as the strength of the pound depressed the sterling value of receipts. Private transfer debits were £16 million higher at £220 million, slightly higher than the average for 1978.

Investment and other capital transactions

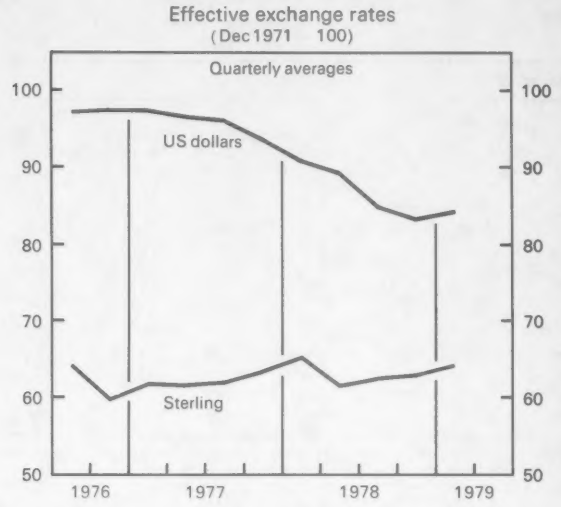
There was a net identified inflow of nearly £1,650 million in the first quarter following outflows totalling over £2,650 million in the previous three quarters (most of which occurred in the second quarter of 1978 when there was a reduced demand for sterling).

The large inflows which resulted in the capital account's turnround in the first quarter were reflected in *UK banks' net external borrowing in foreign currencies* (eurocurrency borrowing) equivalent to £940 million. Both banks and other UK residents switched into sterling. UK companies' foreign currency borrowing through the banks to finance their overseas investment was much the same as in the previous two quarters, but other foreign currency transactions resulted in a net inflow of over £760 million compared with an outflow of nearly £200 million in the fourth quarter.

Overseas investment in the UK public sector increased sharply, after a small reduction in each quarter of last year. With substantial purchases of gilts in February (when the new issues were considerably over-subscribed) total net investment in the first quarter amounted to £226 million.

Official sterling balances rose by £141 million in the first quarter, a rise of £267 million in other banking and money market liabilities in sterling outweighing the fall of £126 million in British government stocks (this fall included net sales of about £150 million by international organisations). Other, non-official, sterling liabilities increased substantially again, by £474 million.

Overseas investment in the UK private sector, at £808 million, was only slightly below the substantial fourth quarter level. A large part of the latest inflow was again attributable to investment by oil companies both onshore and in the North Sea. Oil companies also borrowed a



considerable amount overseas. Other UK residents' net borrowing from banks, etc., overseas, though at a lower level than in the fourth quarter, continued to be fairly substantial, especially for direct investment outside the EEC. There was a net inflow of over £50 million in the first quarter from company securities issued abroad, following a slightly smaller outflow in the previous quarter.

UK private investment overseas, though lower than in the fourth quarter, continued at a high level of over £1,000 million. Nearly half of this was attributable to oil companies' investment, which reflected the higher level of profits earned and retained overseas in the quarter. However oil companies' investment was about £100 million lower than in the fourth quarter when BP had acquired Union Carbide of Belgium. Direct investment by other UK companies fell in the first quarter. Total portfolio investment by UK residents also fell back, to about £200 million compared with over £300 million in the fourth quarter of 1978 when there had been some speculative investment in Irish securities in advance of the Irish Republic's entry into the European Monetary System and possibly also in the expectation that such securities might become eligible to benefit from the investment currency premium when sold. Nevertheless, portfolio investment continued the sequence of high net outflows (by the standards of recent years) experienced since the beginning of 1978, possibly a reflection of the ending of the 25 per cent surrender rule then.

The amount of short-term unrelated *import credit* received by UK firms in the first quarter fell to £60 million from the unusually high figure of £200 million in the fourth quarter, resulting in a net inflow of £20 million import credit in total, compared with £83 million in the previous quarter. The net outflow of unrelated export credit was little changed at £52 million.

There was a net inflow of £134 million as a result of net repayments to UK banks of other short-term sterling claims. In total, *other short-term transactions* contributed a net inflow of £145 million in the first quarter following the outflow of £179 million in the fourth quarter.

Official financing

In the first quarter, further foreign currency borrowing by public bodies under the exchange cover scheme exceeded repayments by £75 million. The borrowing included a large part of the $250 million issue on the New York market by British Gas and further borrowing by the Electricity Council and British Airways. The repayments were mainly ahead of schedule and included $400 million by the Electricity Council originally due for repayment over the next five years. This net borrowing added to the net surplus of £685 million on current and capital accounts combined, and to the allocation by the IMF of £195 million (SDR 304 million) of Special Drawing Rights in the first quarter so that the official reserves rose by £955 million.

At the end of the first quarter the level of official reserves stood at $17,454 million (£8,446 million at the closing market rate on 30 March) compared with $15,694 million at the end of December. The method of valuing the official reserves was however changed at the end of March and on the new basis the value then was $21,947 million, equivalent to £10,620 million at the closing market rate. The nature of this revaluation is described in the Technical Note on page 79.

Exchange rate

At the beginning of the quarter, sterling's effective exchange rate was 63·9 and the dollar rate 2·0424. In January there was some decline against the dollar and against other currencies but sterling recovered in February and even more strongly in March when sterling was at times very firm with the authorities intervening to moderate the upward movement in the rate. Despite this intervention sterling closed the quarter at 66·1 and $2·0665. The average dollar rate was 2·0160 compared with 1·9838 in the previous quarter. The effective exchange rate rose from 62·7 in the fourth quarter to 64·1 in the first quarter (21 December 1971=100).

UK Continental Shelf oil and gas programme (see Table E)

North Sea oil and gas production increased quite strongly in the first quarter. In the case of oil, there had been a drop in production in March as a result of maintenance work at the Forties field, but the amount of maintenance work had been unusually low earlier in the quarter. The value of oil sales, provisionally estimated at just over £1,000 million in the quarter, reflected not only the increase in production but also the rise in prices associated with the reduction in world oil supplies following the unrest in Iran.

Partly offsetting these contributions to the current account from oil and gas sales were imports of goods and services, amounting to £15 million and £95 million respectively, for use in the programme. Imports of goods have been relatively small in recent quarters. Imports of services have tended to stabilise recently at a somewhat lower level than in 1977 and early 1978 with the fall in expenditure on exploration work including that by foreign-owned rigs. A further offset to oil and gas sales comes from interest, profits and dividends due to overseas companies on their investments in the Shelf. These increased to £227 million in the first quarter, largely reflecting a strong increase in oil companies' profits with higher production.

The UK Continental Shelf oil and gas programme[1]

TABLE E

	Not seasonally adjusted							
				1978				1979
	1976	1977	1978	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Volume of sales								
Gas (000's of terajoules)	1,504	1,583	1,522	527	347	246	402	584
Oil (00,000's of tonnes)[2]	117	374	525	111	128	134	152	179
Value of sales				£ million				
Gas[3]	259	321	441	138	94	67	142	197[7]
Oil	644	2,222	2,789	597	695	703	794	1,009[7]
Identifiable balance of payments entries				£ million				
Imports of goods[4]	− 554	− 532	− 180	− 23	−100	− 46	− 11	− 15
Imports of services	− 648	− 686	− 618	−116	−178	−177	−147	− 95
IPD due abroad[5]	− 24	− 367	− 515	−110	−127	−124	−154	− 227
Overseas investment in UKCS etc.[6]	+1,192	+1,349	+ 630	+299	+122	+142	+ 67	+ 268

[1] No attempt has been made to measure the impact of the oil and gas programme on the balance of payments accounts, because of the number of arbitrary assumptions that need to be made to estimate what would have happened in the absence of North Sea oil and gas. One attempt to measure the impact has been published in HM Treasury's *Economic Progress Report* (October 1978).

[2] Including condensates and petroleum gases.

[3] Valued at contract prices. Based on an oil equivalent price, the value in 1977 would have been about £2·25 billion.

[4] Identified direct imports of goods for use on UKCS.

[5] Profits of UK subsidiaries of overseas companies earned in respect of their UKCS operations (including profits retained in the United Kingdom); interest paid overseas by public corporations on their borrowing for the UK Continental Shelf programme; and rough estimates of interest paid on overseas currency borrowing from UK banks in respect of the UKCS programme.

[6] Overseas investment for use in the UK Continental Shelf programme (including profits of UK subsidiaries of overseas companies retained in the United Kingdom); overseas currency borrowing from UK banks for use on the Shelf; borrowing abroad by public corporations for use on the Shelf; identified trade credit and progress payments on imports of platforms, rigs, etc.

[7] The figures for the latest quarter are highly provisional.

Capital account inflows associated with the Continental Shelf programme, including re-invested profits, rose substantially in the first quarter, amounting to £268 million. Within this figure, overseas investment was a little less than on average last year with re-invested profits contributing about 40 per cent of the first quarter's total. Other investment was in the form of an increased net inflow, of £128 million, of foreign currency borrowing by UK banks. Almost all of the latter was to finance part of a $400 million loan to Texaco for the development of the Tartan field. (The resulting production from this field is expected to start in 1980.)

REVISIONS

Invisibles

The estimated surplus on invisibles has been increased for each year since 1971. Up to 1977 the changes relate almost wholly to the travel account but in 1978 there were also changes to a number of other components, in particular to earnings from direct investment, and the surplus on invisibles for the year is now £1,618 million compared with the previous estimate of £1,429 million.

Services

The figures for travel earnings and expenditure have been revised from 1971 onwards as changes in methodology have been developed and introduced. These changes are described in detail in an article in *Trade and Industry* for 25 May 1979. With credits being increased more than debits, the net surplus has improved each year ranging from £ +11 million in 1971 to nearly £ +100 million in 1978. Estimates of government services and transport services have been changed relatively little and only for recent periods. With later information the estimated earnings in 1978 from financial services has been increased by £34 million. Later information has also resulted in the previous estimates of the expenditure of overseas students, included in earnings from 'other services', being reduced from 1976 onwards.

Direct investment and earnings

The full results for 1977 of the annual overseas investment inquiry were incorporated in the estimates published in March and these revisions have now resulted in a reappraisal of the existing estimates for later quarters. For 1978 as a whole, the investment overseas of UK parent companies has been increased by £178 million and the previous estimate of their earnings has been increased by £136 million. The previous estimate of overseas investment in the UK private sector has been increased for 1978 overall by £75 million but the earnings of overseas parent companies are little changed.

Trade credit

The results for 1977 of the annual inquiries into unrelated trade credit indicate that net import credit grew by £267 million rather than the £179 million previously estimated. Unrelated export credit is now estimated to have grown by £647 million, some £240 million higher than the previous estimate. Some revisions have also been made to the figures for 1976.

TECHNICAL NOTES

Current account presentation

In summary presentations of the current account, greater emphasis is now being given to the three main categories of invisibles transactions – *i* services, *ii* interest, profits and dividends and *iii* transfers – to show more clearly the impact of these essentially different types of transaction.

Design of tables

Apart from the above changes, the tables in the article have been redesigned and expanded to provide:

i Dry cargo and tanker figures separately under Sea transport;

ii Services associated with UK Continental Shelf;

iii More details of components of IPD;

iv Volume and implied price indices for total services;

v Investment by foreign oil companies in the United Kingdom and foreign currency borrowing by UK companies from banks, etc., overseas; and

vi Sterling effective exchange rates and the sterling rates against the dollar and against SDRs.

The outstanding levels of official long-term lending and borrowing are not now shown on a quarterly basis; levels at the end of each calendar year will continue to be published in the Pink Book.

Revaluation of the official reserves

From 31 March 1979 the published value of the UK gold and foreign currency reserves has been brought more into line with their market value. SDRs and non-dollar currencies are being valued in dollars at the average of exchange rates over the three months before each 31 March: gold is being valued at the average of the London fixing prices over the same period discounted by 25 per cent.

Effect of past industrial action in Government departments

Delays resulting from the recent industrial action in Government departments are likely to have affected the accuracy of some of the estimates available at this stage for the first quarter. Some delays have occurred in the recording of visible trade in the first quarter, particularly imports. The Department of Trade estimate that as a result of these delays the value of imports has been understated by around £300–£400 million. In addition the transport component 'freight on imports' and certain government transactions are possibly liable to larger revisions than in previous quarters.

Central Statistical Office

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APPENDIX

United Kingdom balance of payments
Summary

TABLE 1

£ million

	Seasonally adjusted						Not seasonally adjusted						
	Visible trade (balance)	Invisibles (balance)				Current balance	Current balance	Capital transfers	Investment and other capital transactions[1]	Balancing item	**Balance for official financing[2]**	Allocation of SDR and gold subscription to IMF	Official financing
		Services	I.P.D	Transfers	Total								
1967	− 567	+ 126	+ 378	− 231	+ 273	**− 294**	− 294	—	− 602	+ 225	**− 671**	—	**+ 671**
1968	− 682	+ 301	+ 333	− 238	+ 396	**− 286**	− 286	—	−1,007	− 117	**−1,410**	—	**+1,410**
1969	− 172	+ 358	+ 498	− 221	+ 635	**+ 463**	+ 463	—	− 165	+ 389	**+ 687**	—	**− 687**
1970	− 42	+ 411	+ 556	− 194	+ 773	**+ 731**	+ 731	—	+ 577	− 21	**+1,287**	+133	**−1,420**
1971	261	+ 546	+ 505	− 211	+ 840	**+1,101**	+1,101	—	+1,809	+ 236	**+3,146**	+125	**−3,271**
1972	− 722	+ 608	+ 534	− 263	+ 879	**+ 157**	+ 157	—	− 669	− 753	**−1,265**	+124	**+1,141**
1973	−2,383	+ 654	+1,220	− 458	+1,416	**− 967**	− 967	−59	+ 165	+ 90	**− 771**	—	**+ 771**
1974	−5,235	+ 844	+1,282	− 441	+1,685	**−3,550**	−3,550	−75	+1,697	+ 282	**−1,646**	—	**+1,646**
1975	−3,236	+1,207	+ 763	− 521	+1,449	**−1,787**	−1,787	—	+ 278	+ 44	**−1,465**	—	**+1,465**
1976	−3,601	+2,051	+1,315	− 837	+2,529	**−1,072**	−1,072	—	−2,921	+ 364	**−3,629**	—	**+3,629**
1977	−1,744	+2,948	+ 392	−1,225	+2,115	**+ 371**	+ 371	—	+4,465	+2,525	**+7,361**	—	**−7,361**
1978	−1,175	+2,953	+ 678	−2,013	+1,618	**+ 443**	+ 443	—	−2,370	+ 801	**−1,126**	—	**+1,126**
1971 *1*	− 52	+ 133	+ 135	− 38	+ 230	**+ 178**	+ 68	—	+ 578	+ 276	**+ 922**	+125	**−1,047**
2	+ 82	+ 113	+ 131	− 49	+ 195	**+ 277**	+ 349	—	+ 345	− 91	**+ 603**	—	**− 603**
3	+ 174	+ 146	+ 128	− 55	+ 219	**+ 393**	+ 387	—	+ 478	− 197	**+ 668**	—	**− 668**
4	+ 57	+ 154	+ 111	− 69	+ 196	**+ 253**	+ 297	—	+ 408	+ 248	**+ 953**	—	**− 953**
1972 *1*	− 103	+ 152	+ 129	− 59	+ 222	**+ 119**	− 17	—	− 7	+ 81	**+ 57**	+124	**− 181**
2	− 127	+ 174	+ 146	− 66	+ 254	**+ 127**	+ 243	—	− 837	− 451	**−1,045**	—	**+1,045**
3	− 303	+ 137	+ 143	− 72	+ 208	**− 95**	− 128	—	− 2	+ 51	**− 79**	—	**+ 79**
4	− 189	+ 145	+ 116	− 66	+ 195	**+ 6**	+ 59	—	+ 177	− 434	**− 198**	—	**+ 198**
1973 *1*	− 341	+ 122	+ 150	− 108	+ 164	**− 177**	− 366	−38	+ 113	+ 318	**+ 27**	—	**− 27**
2	− 460	+ 164	+ 353	− 155	+ 362	**− 98**	− 21	−19	+ 440	− 261	**+ 99**	—	**− 99**
3	− 620	+ 161	+ 280	− 96	+ 345	**− 275**	− 241	− 1	− 602	+ 226	**− 618**	—	**+ 618**
4	− 962	+ 207	+ 437	− 99	+ 545	**− 417**	− 339	− 1	+ 254	− 193	**− 279**	—	**+ 279**
1974 *1*	−1,250	+ 165	+ 398	− 104	+ 459	**− 791**	− 919	—	+ 528	+ 52	**− 339**	—	**+ 339**
2	−1,372	+ 207	+ 346	− 96	+ 457	**− 915**	− 901	−29	+ 709	− 98	**− 319**	—	**+ 319**
3	−1,251	+ 244	+ 262	− 117	+ 389	**− 862**	− 823	−40	+ 531	+ 332	**—**	—	**—**
4	−1,362	+ 228	+ 276	− 124	+ 380	**− 982**	− 907	− 6	− 71	− 4	**− 988**	—	**+ 988**
1975 *1*	− 917	+ 261	+ 162	− 73	+ 350	**− 567**	− 689	—	+ 111	+ 252	**− 326**	—	**+ 326**
2	− 674	+ 305	+ 161	− 146	+ 320	**− 354**	− 398	—	+ 139	− 313	**− 572**	—	**+ 572**
3	−1,009	+ 268	+ 192	− 118	+ 342	**− 667**	− 612	—	+ 279	+ 120	**− 213**	—	**+ 213**
4	− 636	+ 373	+ 248	− 184	+ 437	**− 199**	− 88	—	− 251	− 15	**− 354**	—	**+ 354**
1976 *1*	− 550	+ 407	+ 279	− 190	+ 496	**− 54**	− 106	—	− 528	− 44	**− 678**	—	**+ 678**
2	− 949	+ 483	+ 333	− 172	+ 644	**− 305**	− 398	—	−1,784	+ 226	**−1,956**	—	**+1,956**
3	−1,136	+ 582	+ 360	− 227	+ 715	**− 421**	− 331	—	− 652	+ 121	**− 862**	—	**+ 862**
4	− 966	+ 579	+ 343	− 248	+ 674	**− 292**	− 237	—	+ 43	+ 61	**− 133**	—	**+ 133**
1977 *1*	− 946	+ 681	+ 137	− 273	+ 545	**− 401**	− 559	—	+1,707	+ 765	**+1,913**	—	**−1,913**
2	− 779	+ 751	+ 62	− 287	+ 526	**− 253**	− 309	—	+ 125	+1,092	**+ 908**	—	**− 908**
3	− 3	+ 742	+ 108	− 334	+ 516	**+ 513**	+ 625	—	+1,237	+ 746	**+2,608**	—	**−2,608**
4	− 16	+ 774	+ 85	− 331	+ 528	**+ 512**	+ 614	—	+1,396	− 78	**+1,932**	—	**−1,932**
1978 *1*	− 596	+ 712	+ 89	− 574	+ 227	**− 369**	− 614	—	+ 289	+ 498	**+ 173**	—	**− 173**
2	− 173	+ 599	+ 222	− 440	+ 381	**+ 208**	+ 244	—	−1,907	+ 169	**−1,494**	—	**+1,494**
3	− 367	+ 799	+ 258	− 536	+ 521	**+ 154**	+ 314	—	− 70	− 34	**+ 210**	—	**− 210**
4	− 39	+ 843	+ 109	− 463	+ 489	**+ 450**	+ 499	—	− 682	+ 168	**− 15**	—	**+ 15**
1979 *1*	−1,181	+ 744	+ 212	− 562	+ 394	**+ 787**	− 870	—	+1,634	− 79	**+ 685**	+195	**− 880**

[1] Includes EEA loss on forward commitments.

[2] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDR'S.

Visible trade in the balance of payments

TABLE 2

	£ million						1975=100				
	Not seasonally adjusted		Seasonally adjusted				Seasonally adjusted		Not seasonally adjusted		
	Balance of payments		Overseas trade statistics		Balance of payments		Volume indices		Unit value indices		
	Exports (f.o.b.)	Imports (f.o.b.)	Exports (f.o.b.)	Imports (c.i.f.)	Exports (f.o.b.)	Imports (f.o.b.)	Exports	Imports	Exports	Imports	Terms of trade[1]
1967	5,241	5,808	5,244	6,439	5,241	5,808	61·7	70·1	42·8	34·9	122·6
1968	6,433	7,115	6,442	7,900	6,433	7,115	70·2	77·1	46·2	39·2	117·9
1969	7,269	7,441	7,352	8,317	7,269	7,441	77·1	77·9	47·7	40·4	118·1
1970	8,121	8,163	8,170	9,163	8,121	8,163	80·3	82·6	50·9	42·2	120·6
1971	9,060	8,799	9,289	9,980	9,060	8,799	85·5	85·8	53·8	44·2	121·7
1972	9,450	10,172	9,906	11,301	9,450	10,172	85·2	95·3	56·9	46·7	121·8
1973	12,115	14,498	12,657	16,067	12,115	14,498	97·7	108·8	64·1	59·6	107·6
1974	16,538	21,773	16,910	23,513	16,538	21,773	104·2	109·7	81·7	87·4	93·5
1975	19,463	22,699	20,198	24,431	19,463	22,699	100·0	100·0	100·0	100·0	100·0
1976	25,411	29,012	26,162	31,584	25,411	29,012	109·7	105·6	120·7	121·8	99·1
1977	32,148	33,892	33,331	36,978	32,148	33,892	118·9	107·2	142·5	141·3	100·8
1978	35,432	36,607	37,363	40,969	35,432	36,607	122·9	112·6	155·1	146·4	105·9
1971 *1*	2,032	2,183	2,084	2,406	2,075	2,127	80·1	84·8	52·4	42·8	122·4
2	2,375	2,249	2,359	2,517	2,321	2,239	88·5	86·7	53·3	44·5	119·8
3	2,261	2,106	2,419	2,496	2,350	2,176	87·9	84·2	54·5	44·9	121·4
4	2,392	2,261	2,427	2,561	2,314	2,257	85·7	87·5	55·2	44·5	124·0
1972 *1*	2,239	2,466	2,381	2,643	2,258	2,361	83·8	91·1	55·4	44·8	123·7
2	2,453	2,489	2,453	2,747	2,343	2,470	85·6	95·2	56·1	45·3	123·8
3	1,984	2,319	2,213	2,696	2,115	2,418	75·4	89·9	57·8	47·4	121·9
4	2,774	2,898	2,859	3,215	2,734	2,923	96·2	105·1	58·3	49·2	118·5
1973 *1*	2,754	3,273	2,872	3,399	2,753	3,094	94·0	104·9	60·6	52·0	116·5
2	2,990	3,390	3,030	3,753	2,901	3,361	96·2	106·2	62·5	56·0	111·6
3	2,979	3,568	3,275	4,220	3,147	3,767	99·8	109·8	65·1	62·1	104·8
4	3,392	4,267	3,480	4,695	3,314	4,276	101·1	114·2	68·3	68·1	100·3
1974 *1*	3,610	4,949	3,705	5,282	3,618	4,868	101·0	108·2	74·2	78·4	94·6
2	4,236	5,593	4,202	6,014	4,152	5,524	106·2	111·4	80·3	87·9	91·4
3	4,197	5,458	4,527	6,083	4,393	5,644	107·5	110·8	84·2	90·4	93·1
4	4,495	5,773	4,476	6,134	4,375	5,737	102·3	108·4	88·3	93·0	94·9
1975 *1*	4,502	5,509	4,823	6,004	4,674	5,591	100·9	102·1	95·2	96·5	98·7
2	4,845	5,558	4,758	5,662	4,601	5,275	97·1	95·7	97·5	97·1	100·4
3	4,674	5,672	5,035	6,283	4,845	5,854	98·0	102·4	101·6	100·8	100·8
4	5,442	5,960	5,582	6,482	5,343	5,979	104·0	99·8	105·7	105·6	100·1
1976 *1*	5,717	6,277	5,818	6,767	5,654	6,204	106·2	100·2	110·6	110·1	100·5
2	6,312	7,268	6,337	7,757	6,160	7,109	109·7	106·3	116·9	118·7	98·5
3	6,207	7,338	6,652	8,211	6,509	7,645	110·1	108·5	123·9	124·7	99·4
4	7,175	8,129	7,355	8,849	7,088	8,054	113·0	107·4	131·5	133·9	98·2
1977 *1*	7,580	8,525	7,755	9,144	7,520	8,466	115·9	108·8	135·8	137·1	99·1
2	8,097	8,843	8,288	9,609	7,921	8,700	117·7	110·6	141·5	140·7	100·6
3	8,225	8,272	8,803	9,243	8,531	8,534	124·6	107·3	145·3	143·4	101·3
4	8,246	8,252	8,485	8,982	8,176	8,192	117·3	102·3	147·4	143·9	102·4
1978 *1*	8,286	8,950	8,881	9,846	8,408	9,004	119·6	113·5	149·6	141·5	105·7
2	9,263	9,291	9,107	10,221	8,753	8,926	122·2	109·7	153·2	146·0	104·9
3	8,564	8,972	9,545	10,475	9,051	9,418	124·8	114·9	157·0	148·0	106·1
4	9,319	9,394	9,830	10,427	9,220	9,259	124·8	112·3	160·6	150·3	106·9
1979 *1*	8,532	9,737	8,928	10,655	8,390	9,571	110·3	113·3	165·6	153·8	107·7

[1] Export unit value index as a percentage of the import unit value index.

Services: credits

TABLE 3

	£ million												1975 =100
	Private sector and public corporations								General government				
	Sea transport											Total services credits at current prices	Volume indices: total services credits
	Dry cargo	Tankers	Total	Civil aviation	Travel	Financial services	Other services	Total	EEC institutions	Other	Total		
1971	731	890	1,621	354	500	471	875	3,821	—	59	59	3,880	84·1
1972	799	814	1,613	410	576	529	988	4,116	—	72	72	4,188	88·1
1973	977	1,084	2,061	480	726	601	1,162	5,030	13	91	104	5,134	93·8
1974	1,401	1,273	2,674	625	898	777	1,417	6,391	19	91	110	6,501	99·2
1975	1,503	1,156	2,659	780	1,218	1,014	1,765	7,436	32	107	139	7,575	100·0
1976	1,846	1,401	3,247	1,051	1,768	1,287	2,326	9,679	44	171	215	9,894	107·3
1977	2,091	1,381	3,472	1,203	2,352	1,426	2,839	11,292	76	164	240	11,532	112·3
1978	2,069	1,172	3,241	1,439	2,503	1,516	3,246	11,945	91	227	318	12,263	111·8
Unadjusted													
1975 *1*	363	273	636	155	189	222	409	1,611	5	42	47	1,658	94·3
2	384	280	664	184	265	253	432	1,798	9	24	33	1,831	98·8
3	387	289	676	247	488	244	429	2,084	8	21	29	2,113	108·9
4	369	314	683	194	276	295	495	1,943	10	20	30	1,973	98·0
1976 *1*	411	288	699	191	230	317	534	1,971	8	52	60	2,031	95·9
2	445	327	772	259	379	336	551	2,297	11	23	34	2,331	102·6
3	490	363	853	342	709	306	576	2,786	11	62	73	2,859	122·0
4	500	423	923	259	450	328	665	2,625	14	34	48	2,673	108·9
1977 *1*	509	359	868	240	361	273	688	2,430	17	47	64	2,494	98·8
2	545	351	896	301	536	318	703	2,754	18	23	41	2,795	109·0
3	534	355	889	369	915	405	683	3,261	21	40	61	3,322	128·5
4	503	316	819	293	540	430	765	2,847	20	54	74	2,921	113·1
1978 *1*	485	283	768	278	376	338	789	2,549	20	65	85	2,634	100·2
2	546	276	822	337	544	334	790	2,827	21	44	65	2,892	105·5
3	529	288	817	467	1,018	411	786	3,499	24	61	85	3,584	129·2
4	509	325	834	357	565	433	881	3,070	26	57	83	3,153	112·3
1979 *1*	476	315	791	285	406	386	913	2,781	29	67	96	2,877	99·8
Seasonally adjusted													
1975 *1*	369	279	648	190	293	206	402	1,739	5	28	33	1,772	100·5
2	382	286	668	181	286	251	428	1,814	9	32	41	1,855	100·1
3	377	292	669	193	322	238	450	1,872	8	23	31	1,903	98·1
4	375	299	674	216	317	319	485	2,011	10	24	34	2,045	101·3
1976 *1*	418	300	718	232	360	304	523	2,137	8	34	42	2,179	102·4
2	442	337	779	258	421	349	547	2,354	11	31	42	2,396	104·9
3	478	365	843	273	467	310	605	2,498	11	68	79	2,577	109·5
4	508	399	907	288	520	324	651	2,690	14	38	52	2,742	112·6
1977 *1*	517	376	893	293	557	356	669	2,768	17	28	45	2,813	111·8
2	540	357	897	304	592	327	702	2,822	18	30	48	2,870	111·7
3	515	351	866	284	591	377	723	2,841	21	44	65	2,906	112·1
4	519	297	816	322	612	366	745	2,861	20	62	82	2,943	113·8
1978 *1*	493	299	792	328	587	427	762	2,896	20	48	68	2,964	112·2
2	533	281	814	338	608	344	789	2,893	21	53	74	2,967	108·0
3	513	287	800	388	662	379	836	3,065	24	65	89	3,154	114·8
4	530	305	835	385	646	366	859	3,091	26	61	87	3,178	112·2
1979 *1*	483	334	817	339	627	410	887	3,080	29	54	83	3,163	109·1

Services: debits

TABLE 3 *(continued)*

	£ million												1975 = 100	£ million
	Private sector and public corporations								General government					
	Sea transport					Other services								
	Dry cargo	Tankers	Total	Civil aviation	Travel	Services associated with UK Cont. Shelf	Other	Total	Military	Administrative, diplomatic, etc.	Total	Total services debits at current prices	Volume indices: total services debits	Balance of services at current prices
1971	687	986	1,673	297	442	27	521	2,960	315	59	374	3,334	89·6	+ 546
1972	744	944	1,688	333	535	39	562	3,157	350	73	423	3,580	95·0	+ 608
1973	967	1,193	2,160	405	695	60	647	3,967	424	89	513	4,480	99·9	+ 654
1974	1,359	1,437	2,796	529	703	227	754	5,009	551	97	648	5,657	101·5	+ 844
1975	1,337	1,266	2,603	664	917	490	935	5,609	645	114	759	6,368	100·0	+1,207
1976	1,705	1,517	3,222	810	1,068	648	1,123	6,871	836	136	972	7,843	98·5	+2,051
1977	1,965	1,480	3,445	959	1,186	686	1,286	7,562	881	141	1,022	8,584	95·2	+2,948
1978	2,196	1,334	3,530	1,100	1,548	618	1,412	8,208	949	153	1,102	9,310	99·0	+2,953
Unadjusted														
1975 *1*	311	312	623	147	129	84	219	1,202	149	26	175	1,377	92·7	+ 281
2	336	308	644	153	215	105	234	1,351	155	29	184	1,535	99·1	+ 296
3	342	315	657	198	400	145	231	1,631	173	29	202	1,833	112·9	+ 280
4	348	331	679	166	173	156	251	1,425	168	30	198	1,623	95·3	+ 350
1976 *1*	365	330	695	157	150	84	273	1,359	189	32	221	1,580	88·4	+ 451
2	409	370	779	199	259	176	274	1,687	204	34	238	1,925	98·7	+ 406
3	451	380	831	242	436	225	275	2,009	211	33	244	2,253	110·9	+ 606
4	480	437	917	212	223	163	301	1,816	232	37	269	2,085	95·9	+ 588
1977 *1*	494	393	887	195	184	93	301	1,660	218	33	251	1,911	86·1	+ 583
2	493	373	866	239	295	140	298	1,838	211	36	247	2,085	92·7	+ 710
3	494	358	852	285	468	270	347	2,222	227	35	262	2,484	109·1	+ 838
4	484	356	840	240	239	183	340	1,842	225	37	262	2,104	92·7	+ 817
1978 *1*	514	333	847	223	228	117	333	1,748	244	36	280	2,028	89·2	+ 606
2	577	340	917	264	358	177	347	2,063	249	39	288	2,351	99·3	+ 541
3	553	317	870	342	643	177	357	2,389	256	38	294	2,683	113·8	+ 901
4	552	344	896	271	319	147	375	2,008	200	40	240	2,248	93·7	+ 905
1979 *1*	530	325	855	274	289	95	373	1,886	233	39	272	2,158	88·6	+ 719
Seasonally adjusted														
1975 *1*	313	312	625	169	215	106	220	1,335	149	27	176	1,511	101·5	+ 261
2	331	309	640	153	222	115	235	1,365	157	28	185	1,550	99·9	+ 305
3	344	323	667	169	240	127	230	1,433	173	29	202	1,635	100·5	+ 268
4	349	322	671	173	240	142	250	1,476	166	30	196	1,672	98·1	+ 373
1976 *1*	367	333	700	180	242	156	271	1,549	190	33	223	1,772	98·8	+ 407
2	404	373	777	199	263	160	274	1,673	207	33	240	1,913	97·9	+ 483
3	451	389	840	208	264	164	275	1,751	210	34	244	1,995	97·8	+ 582
4	483	422	905	223	299	168	303	1,898	229	36	265	2,163	99·4	+ 579
1977 *1*	499	397	896	224	292	169	299	1,880	218	34	252	2,132	96·0	+ 681
2	487	375	862	240	297	171	300	1,870	214	35	249	2,119	93·9	+ 751
3	496	365	861	243	284	173	346	1,907	221	36	257	2,164	94·8	+ 742
4	483	343	826	252	313	173	341	1,905	228	36	264	2,169	95·9	+ 774
1978 *1*	518	335	853	258	365	170	331	1,977	238	37	275	2,252	98·7	+ 712
2	571	343	914	265	365	179	349	2,072	258	38	296	2,368	99·8	+ 599
3	557	324	881	292	398	138	357	2,066	250	39	289	2,355	99·9	+ 799
4	550	332	882	285	420	131	375	2,093	203	39	242	2,335	97·6	+ 843
1979 *1*	534	328	862	314	459	142	371	2,148	231	40	271	2,419	99·2	+ 744

Interest, profits and dividends

TABLE 4

£ million

	Credits: earnings on							
							Of which:	
	Direct investment[1]	Portfolio investment	Export credit and sterling lending by UK banks	UK banks borrowing and lending in overseas currencies	Other (including oil companies)	Total credits	Private sector and public corporations	General government
1971	718	166	121	16	458	1,479	1,388	91
1972	911	164	154	44	459	1,732	1,576	156
1973	1,450	194	238	18	889	2,789	2,613	176
1974	1,490	239	321	16	1,077	3,143	2,906	237
1975	1,583	225	365	151	508	2,832	2,566	266
1976	2,381	246	477	244	555	3,903	3,650	253
1977	2,287	270	460	92	981	4,090	3,679	411
1978	2,399	257	567	322	1,276	4,821	4,055	766
Unadjusted								
1975 *1*	372	52	82	35	138	679	621	58
2	390	58	95	39	135	717	619	98
3	389	57	88	29	102	665	616	49
4	432	58	100	48	133	771	710	61
1976 *1*	505	56	91	63	155	870	802	68
2	592	61	120	49	140	962	887	75
3	611	65	119	60	142	997	943	54
4	673	64	147	72	118	1,074	1,018	56
1977 *1*	540	66	114	12	252	984	925	59
2	595	66	121	10	258	1,050	955	95
3	563	70	107	35	234	1,009	899	110
4	589	68	118	35	237	1,047	900	147
1978 *1*	540	57	116	48	284	1,045	856	189
2	618	65	135	69	349	1,236	1,017	219
3	631	73	143	109	310	1,266	1,082	184
4	610	62	173	96	333	1,274	1,100	174
1979 *1*	624	69	174	19	494	1,380	1,189	191
Seasonally adjusted								
1975 *1*	387	55	82	35	143	702	639	63
2	381	56	89	39	122	687	603	84
3	400	55	95	29	108	687	632	55
4	415	59	99	48	135	756	692	64
1976 *1*	526	59	97	63	160	905	831	74
2	580	60	111	49	124	924	865	59
3	627	63	125	60	148	1,023	962	61
4	648	64	144	72	123	1,051	992	59
1977 *1*	562	69	127	12	257	1,027	962	65
2	580	65	112	10	244	1,011	930	81
3	578	68	113	35	240	1,034	919	115
4	567	68	108	35	240	1,018	868	150
1978 *1*	563	60	114	48	289	1,074	880	194
2	603	64	136	69	338	1,210	1,002	208
3	645	71	151	109	314	1,290	1,102	188
4	588	62	166	96	335	1,247	1,071	176
1979 *1*	652	72	174	19	500	1,417	1,220	197

[1] Earnings on direct investment exclude the earnings of oil companies.

Interest, profits and dividends

TABLE 4 *(continued)*

£ million

	Debits: earnings on									
								of which:		
	Direct[1] investment	Portfolio investment	Sterling liabilities	Overseas currency borrowing by general government[2]	Foreign oil companies' investment in UK	Other	Total debits	Private sector and public corporations	General government	Balance of IPD
1971	390	135	255	3	63	128	974	679	295	+ 505
1972	552	151	292	5	77	121	1,198	900	298	+ 534
1973	698	180	452	18	56	165	1,569	1,194	375	+1,220
1974	609	236	622	139	46	209	1,861	1,272	589	+1,282
1975	615	288	651	259	7	249	2,069	1,289	780	+ 763
1976	1,023	354	566	369	— 46	322	2,588	1,687	901	+1,315
1977	1,400	518	472	422	428	458	3,698	2,602	1,096	+ 392
1978	1,436	621	510	468	495	613	4,143	2,917	1,226	+ 678
Unadjusted										
1975 *1*	156	66	185	58	18	48	531	353	178	+ 148
2	160	84	152	69	24	64	553	352	201	+ 164
3	129	68	158	65	— 17	46	449	254	195	+ 216
4	170	70	156	67	— 18	91	536	330	206	+ 235
1976 *1*	240	79	143	78	21	50	611	409	202	+ 259
2	259	102	135	90	— 43	99	642	408	234	+ 320
3	229	82	138	96	— 11	80	614	379	235	+ 383
4	295	91	150	105	— 13	93	721	491	230	+ 353
1977 *1*	340	112	130	86	81	87	836	591	245	+ 148
2	399	161	129	120	115	116	1,040	737	303	+ 10
3	325	120	109	97	104	101	856	604	252	+ 153
4	336	125	104	119	128	154	966	670	296	+ 81
1978 *1*	368	141	112	103	96	111	931	665	266	+ 114
2	369	193	114	129	105	180	1,090	725	365	+ 146
3	323	131	138	114	101	136	943	663	280	+ 323
4	376	156	146	122	193	186	1,179	864	315	+ 95
1979 *1*	332	122	155	91	267	143	1,110	877	233	+ 270
Seasonally adjusted										
1975 *1*	161	65	175	56	18	65	540	357	183	+ 162
2	152	70	156	67	24	57	526	327	199	+ 161
3	145	77	157	70	— 17	63	495	293	202	+ 192
4	157	76	163	66	— 18	64	508	312	196	+ 248
1976 *1*	246	79	140	81	21	59	626	427	199	+ 279
2	245	84	137	87	— 43	81	591	374	217	+ 333
3	255	92	140	98	— 11	89	663	427	236	+ 360
4	277	99	149	103	— 13	93	708	459	249	+ 343
1977 *1*	346	117	144	100	81	102	890	621	269	+ 137
2	376	126	116	107	115	109	949	679	270	+ 62
3	361	134	107	102	104	118	926	659	267	+ 108
4	317	141	105	113	128	129	933	643	290	+ 85
1978 *1*	375	158	108	115	96	133	985	681	304	+ 89
2	348	151	113	121	105	150	988	673	315	+ 222
3	358	156	133	124	101	160	1,032	721	311	+ 258
4	355	156	156	108	193	170	1,138	842	296	+ 109
1979 *1*	338	152	181	98	267	169	1,205	930	275	+ 212

[1] Earnings on direct investment exclude the earnings of oil and insurance companies.
[2] Excluding foreign currency issues but including loans raised by all public bodies under the exchange cover scheme.

Transfers

TABLE 5

£ million

	Private sector			General government							
				Credits	Debits						
	Credits	Debits	Balance of private sector	EEC institutions	Economic grants	Contributions and subscriptions to international orgs. EEC	Contributions and subscriptions to international orgs. Other	Other debits	Total debits	Balance of general government	Balance of transfers
1971	228	234	— 6	—	103	—	63	39	205	— 205	— 211
1972	245	298	— 53	—	100	—	60	50	210	— 210	— 263
1973	299	398	— 99	63	106	187	75	54	422	— 359	— 458
1974	333	454	—121	130	118	186	85	61	450	— 320	— 441
1975	349	503	—154	363	166	350	137	77	730	— 367	— 521
1976	456	509	— 53	251	276	474	186	99	1,035	— 784	— 837
1977	500	614	—114	292	290	750	244	119	1,403	—1,111	—1,225
1978	547	848	—301	454	421	1,367	234	144	2,166	—1,712	—2,013
Unadjusted											
1975 *1*	84	110	— 26	106	62	66	42	21	191	— 85	— 111
2	88	135	— 47	78	26	95	36	19	176	— 98	— 145
3	88	123	— 35	93	34	88	27	19	168	— 75	— 110
4	89	135	— 46	86	44	101	32	18	195	— 109	— 155
1976 *1*	113	146	— 33	59	118	95	44	25	282	— 223	— 256
2	113	120	— 7	77	38	128	49	23	238	— 161	— 168
3	112	117	— 5	56	56	108	51	25	240	— 184	— 189
4	118	126	— 8	59	64	143	42	26	275	— 216	— 224
1977 *1*	116	145	— 29	77	108	177	76	32	393	— 316	— 345
2	123	135	— 12	60	48	185	70	28	331	— 271	— 283
3	128	153	— 25	62	56	217	53	30	356	— 294	— 319
4	133	181	— 48	93	78	171	45	29	323	— 230	— 278
1978 *1*	130	228	— 98	89	163	382	77	39	661	— 572	— 670
2	140	205	— 65	81	57	271	69	34	431	— 350	— 415
3	139	211	— 72	119	82	381	50	36	549	— 430	— 502
4	138	204	— 66	165	119	333	38	35	525	— 360	— 426
1979 *1*	135	220	— 85	102	181	360	90	40	671	— 569	— 654
Seasonally adjusted											
1975 *1*	84	110	— 26	106	35	63	36	19	153	— 47	— 73
2	88	135	— 47	78	38	92	27	20	177	— 99	— 146
3	88	123	— 35	93	41	85	31	19	176	— 83	— 118
4	89	135	— 46	86	52	110	43	19	224	— 138	— 184
1976 *1*	113	146	— 33	59	69	90	35	22	216	— 157	— 190
2	113	120	— 7	77	57	123	38	24	242	— 165	— 172
3	112	117	— 5	56	72	123	58	25	278	— 222	— 227
4	118	126	— 8	59	78	138	55	28	299	— 240	— 248
1977 *1*	116	145	— 29	77	61	169	63	28	321	— 244	— 273
2	123	135	— 12	60	68	178	60	29	335	— 275	— 287
3	128	153	— 25	62	69	209	62	31	371	— 309	— 334
4	133	181	— 48	93	92	194	59	31	376	— 283	— 331
1978 *1*	130	228	— 98	89	107	360	64	34	565	— 476	— 574
2	140	205	— 65	81	81	283	56	36	456	— 375	— 440
3	139	211	— 72	119	102	385	59	37	583	— 464	— 536
4	138	204	— 66	165	131	339	55	37	562	— 397	— 463
1979 *1*	135	220	— 85	102	127	341	75	36	579	— 477	— 562

Investment and other capital transactions

TABLE 6

Not seasonally adjusted

£ million

	Official long-term capital	Overseas investment in UK public sector[1]: British government stocks	Overseas investment in UK public sector[1]: Other	Overseas investment in UK private sector	UK private investment overseas	Overseas currency borrowing or lending (net) by UK banks[1,2]: Borrowing to finance UK investment overseas	Overseas currency borrowing or lending (net) by UK banks[1,2]: Other borrowing or lending (net)	Exchange reserves in sterling (ie holdings of overseas monetary authorities): British government stocks	Exchange reserves in sterling (ie holdings of overseas monetary authorities): Banking and money market liabilities etc.	Other external banking and money market liabilities in sterling	Trade credit[3]	Other short-term transactions	Total investment and other capital transactions
1967	− 59	+ 48	+ 6	+ 360	− 456	+ 55	− 19	− 40	− 150	− 96	− 189	+ 43	− 497
1968	+ 16	+ 9	+ 7	+ 567	− 727	+155	− 170	− 22	− 158	− 128	− 281	− 24	− 756
1969	− 99	− 74	+ 18	+ 673	− 679	+ 72	− 110	+237	+ 77	− 53	− 181	− 46	− 165
1970	−205	− 10	—	+ 845	− 789	+180	+ 292	+ 63	+ 130	+ 266	− 381	+186	+ 577
1971	−274	+ 82	+ 25	+1,047	− 836	+280	+ 191	+ 55	+ 658	+ 709	− 233	+105	+1,809
1972	−255	+108	+ 12	+ 795	−1,383	+725	− 254	+ 65	+ 222	− 91	− 211	−402	− 669
1973	−254	+ 42	+ 133	+1,653	−1,743	+595	− 70	+ 74	+ 87	− 7	− 204	−141	+ 165
1974	−276	+105	+ 147	+2,287	−1,118	+270	− 564	−124	+1,534	+ 148	− 645	− 67	+1,697
1975	−288	− 13	+ 56	+1,697	−1,281	+320	− 85	+ 7	− 624	+ 550	− 346	+285	+ 278
1976	−154	+116	+ 87	+2,063	−2,156	+165	− 271	+ 14	−1,421	+ 255	−1,011	−608	−2,921
1977	−287	+979	+1,203	+3,096	−2,167	+520	− 136	+ 5	− 24	+1,481	− 380	+175	+4,465
1978	−315	+ 15	− 96	+2,852	−3,575	+880	−1,399	−115	− 4	+ 301	− 484	−430	−2,370
1971 *1*	− 46	+ 61	+ 9	+ 319	− 204	+ 45	+ 39	+ 57	+ 168	+ 60	− 65	+135	+ 578
2	− 44	+ 4	+ 3	+ 291	− 236	+120	+ 28	+ 36	+ 244	− 3	− 91	− 7	+ 345
3	− 34	+ 2	+ 3	+ 216	− 162	+ 60	− 32	− 40	+ 137	+ 240	+ 40	+ 48	+ 478
4	−150	+ 15	+ 10	+ 221	− 234	+ 55	+ 156	+ 2	+ 109	+ 412	− 117	− 71	+ 408
1972 *1*	− 42	+ 63	+ 2	+ 153	− 343	+185	− 71	+ 70	+ 138	+ 3	− 28	−137	− 7
2	− 39	+ 20	+ 2	+ 198	− 373	+170	− 302	− 8	+ 37	− 167	− 137	−238	− 837
3	− 17	+ 13	+ 11	+ 245	− 313	+195	+ 4	− 35	− 52	− 5	− 4	− 44	− 2
4	−157	+ 12	− 3	+ 199	− 354	+175	+ 115	+ 38	+ 99	+ 78	− 42	+ 17	+ 177
1973 *1*	− 55	− 7	+ 51	+ 355	− 345	+175	− 174	+ 18	+ 183	− 31	− 155	+ 98	+ 113
2	− 31	+ 12	+ 8	+ 445	− 391	+ 75	+ 77	+ 92	− 3	+ 77	+ 38	+ 1	+ 400
3	− 27	+ 9	+ 12	+ 307	− 334	+140	− 104	− 38	− 307	− 70	− 66	−124	− 602
4	−141	+ 28	+ 62	+ 546	− 673	+205	+ 131	+ 2	+ 214	+ 17	− 21	−116	+ 254
1974 *1*	− 52	− 7	+ 39	+ 916	− 342	+190	− 251	+ 68	+ 164	− 53	− 104	− 40	+ 528
2	− 42	+ 37	+ 70	+ 447	− 140	+125	− 69	−190	+ 421	+ 155	− 254	+149	+ 709
3	− 15	+ 16	+ 14	+ 541	− 174	+ 15	− 361	− 67	+ 622	+ 61	− 108	− 13	+ 531
4	−167	+ 59	+ 24	+ 383	− 462	− 60	+ 117	+ 65	+ 327	− 15	− 179	−163	− 71
1975 *1*	− 73	+ 36	+ 30	+ 330	− 346	+ 30	− 110	+ 6	+ 222	+ 19	− 153	+120	+ 111
2	− 39	− 1	+ 1	+ 227	− 542	+100	+ 672	− 7	− 296	+ 286	− 130	−132	+ 139
3	− 26	− 56	+ 4	+ 643	− 72	+125	− 140	− 67	− 313	+ 1	+ 150	+ 30	+ 279
4	−150	+ 8	+ 21	+ 497	− 321	+ 65	− 507	+ 75	− 237	+ 244	− 213	+267	− 251
1976 *1*	− 37	− 1	+ 10	+ 748	− 577	+ 65	+ 29	− 10	− 70	+ 5	− 351	−339	− 528
2	− 26	+ 14	− 1	+ 402	− 557	+ 90	− 176	− 13	− 908	− 11	− 281	−317	−1,784
3	− 9	+ 53	+ 5	+ 452	− 509	+ 55	− 327	− 19	− 330	+ 212	− 75	−160	− 652
4	− 82	+ 50	+ 73	+ 461	− 513	− 45	+ 203	+ 56	− 113	+ 49	− 304	+208	+ 43
1977 *1*	− 24	+350	+ 148	+ 972	− 524	+ 85	+ 336	−165	+ 355	+ 199	− 122	+ 97	+1,707
2	− 20	+ 37	+ 884	+ 813	− 793	+ 90	− 796	− 4	− 394	+ 350	− 66	+ 24	+ 125
3	− 14	+246	+ 43	+ 805	− 423	+210	− 21	+ 31	+ 43	+ 323	+ 59	− 65	+1,237
4	−229	+346	+ 128	+ 506	− 427	+135	+ 345	+143	− 28	+ 609	− 251	+119	+1,396
1978 *1*	− 26	+ 51	− 54	+1,179	− 714	+150	− 35	− 34	+ 194	− 62	− 106	−254	+ 289
2	− 9	− 34	+ 19	+ 429	− 554	+365	−1,320	− 20	− 211	− 152	− 304	−116	−1,907
3	− 39	− 20	+ 7	+ 408	− 939	+180	+ 148	− 34	+ 43	+ 159	− 102	+119	− 70
4	−241	+ 18	− 68	+ 836	−1,368	+185	− 192	− 27	− 30	+ 356	+ 28	−179	− 682
1979 *1*	− 26	+264	− 38	+ 808	−1,043	+175	+ 766	−126	+ 267	+ 474	− 32	+145	+1,634

[1] Excluding borrowing under the exchange cover scheme which is included under 'official financing'.
[2] Including certain other financial institutions.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers. Net credit extended by UK merchants in third-country trade is included within export credit.

Official long-term capital[1]

TABLE 7

Not seasonally adjusted

£ million

	Inter-government loans					Other official long-term capital		
			Repaid by UK					
	Made by UK	Repaid to UK	Export-Import Bank	Other	Total	UK sub-scriptions, to IDA, etc.	Other	Total official long-term capital[2]
1973	− 93	+31	−38	−53	−153	− 85	−16	−254
1974	−108	+33	−32	−52	−159	−106	−11	−276
1975	−113	+34	−22	−61	−162	−107	−19	−288
1976	− 54	+37	− 9	−12	− 38	− 99	−18	−154
1977	− 44	+48	—	−68	− 64	−197	−26	−287
1978	− 73	+44	—	−65	− 93	−189	−32	−315
1976 *1*	− 23	+ 5	—	—	− 18	− 10	− 9	− 37
2	− 10	+13	− 9	− 6	− 12	− 12	− 3	− 26
3	− 12	+ 6	—	—	− 6	− 2	− 2	− 9
4	− 9	+13	—	− 6	− 2	− 75	− 4	− 82
1977 *1*	− 18	+12	—	—	− 7	− 7	−10	− 24
2	− 7	+14	—	− 6	+ 1	− 13	− 8	− 20
3	− 10	+ 9	—	—	—	− 10	− 4	− 14
4	− 9	+13	—	−62	− 58	−167	− 4	−229
1978 *1*	− 27	+12	—	—	− 16	− 3	− 7	− 26
2	− 8	+16	—	− 6	+ 3	− 11	− 1	− 9
3	− 20	+ 7	—	—	− 13	− 8	−18	− 39
4	− 18	+ 9	—	−59	− 67	−167	− 6	−241
1979 *1*	− 25	+12	—	—	− 14	− 4	− 8	− 26

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Components and totals are rounded independently.

Overseas investment in UK public sector[1]

TABLE 8

Not seasonally adjusted

£ million

	In British government stocks[2]	In British government foreign currency bonds	In local authorities' securities and mortgages	Net issues abroad[3]		Net borrowing from banks, etc. overseas[3]		Total
				Public corporations	Local authorities	Public corporations	Local authorities	
1973	+ 42	—	+32	+52	+30	+ 19	—	+175
1974	+105	—	−10	+85	—	+ 69	+ 3	+252
1975	− 13	—	+ 4	− 4	—	+ 56	—	+ 43
1976	+116	—	+14	+46	—	+ 27	—	+203
1977	+979	+395	+28	+30	—	+746	+ 4	+2,182
1978	+ 15	—	+ 4	−91	−5	− 15	+11	− 81
1976 *1*	− 1	—	+ 6	− 4	—	+ 8	—	+ 9
2	+ 14	—	+ 1	—	—	− 2	—	+ 13
3	+ 53	—	+ 5	—	—	—	—	+ 58
4	+ 50	—	+ 2	+50	—	+ 21	—	+123
1977 *1*	+350	—	+ 8	− 5	—	+145	—	+498
2	+ 37	+395	+11	—	—	+479	− 1	+921
3	+246	—	+ 6	—	—	+ 37	—	+289
4	+346	—	+ 3	+35	—	+ 85	+ 5	+474
1978 *1*	+ 51	—	− 2	−91	—	+ 34	+ 5	− 3
2	− 34	—	+ 2	—	—	+ 13	+ 4	− 15
3	− 20	—	− 2	—	—	+ 9	—	− 13
4	+ 18	—	+ 6	—	− 5	− 71	+ 2	− 50
1979 *1*	+264	—	+13	− 4	—	− 47	—	+226

[1] Net of disinvestment. Liabilities: increase+/decrease−.
[2] Denominated in sterling: excluding investment by central monetary institutions and international organisations.
[3] Excluding borrowing under the exchange cover scheme.

Overseas investment in UK private sector[1]

TABLE 9

Not seasonally adjusted

£ million

	Direct[2]				UK company securities		Net borrowing by companies from banks etc. overseas				
	Unremitted profits	Other	Total	Investment by oil companies	Issues abroad (net)	Other securities	For use in UK	For direct investment overseas	For portfolio investment overseas	Miscellaneous investment	Total
1973	+338	+388	+ 726	+ 382	+139	+ 91	+99	+191	+30	− 5	+1,653
1974	+243	+594	+ 837	+ 924	+ 11	+132	+78	+209	− 8	+104	+2,287
1975	+240	+285	+ 525	+ 883	+ 34	− 24	+54	+197	+ 9	+ 19	+1,697
1976	+528	+183	+ 711	+ 819	+ 99	+160	+88	+135	+17	+ 34	+2,063
1977	+819	+409	+1,228	+1,047	+216	+205	+45	+278	−12	+ 89	+3,096
1978	+839	+481	+1,320	+ 876	+172	−104	+60	+415	+78	+ 35	+2,852
1976 *1*	+144	+126	+ 270	+ 256	+ 21	+ 18	+62	+101	+15	+ 5	+ 748
2	+119	− 28	+ 91	+ 141	+ 58	+ 58	+ 8	+ 30	+10	+ 6	+ 402
3	+133	+ 26	+ 159	+ 208	+ 33	+ 38	+13	− 8	− 2	+ 11	+ 452
4	+132	+ 59	+ 191	+ 214	− 13	+ 46	+ 5	+ 12	− 6	+ 12	+ 461
1977 *1*	+198	+172	+ 370	+ 411	+ 16	+ 79	+ 5	+ 83	−11	+ 19	+ 972
2	+234	+114	+ 348	+ 221	+163	+ 15	+15	+ 30	− 4	+ 25	+ 813
3	+229	+ 42	+ 271	+ 248	+ 27	+117	+20	+ 95	+ 5	+ 22	+ 805
4	+158	+ 81	+ 239	+ 167	+ 10	− 6	+ 5	+ 70	− 2	+ 23	+ 506
1978 *1*	+255	+314	+ 569	+ 430	+ 30	− 29	+20	+140	+ 9	+ 10	+1,179
2	+228	− 27	+ 201	+ 52	+135	− 36	+20	+ 35	+14	+ 8	+ 429
3	+185	+ 22	+ 207	+ 52	+ 48	− 2	+ 5	+ 60	+26	+ 12	+ 408
4	+171	+172	+ 343	+ 342	− 41	− 37	+15	+180	+29	+ 5	+ 836
1979 *1*	+216	+ 93	+ 309	+ 331	+ 53	− 10	+25	+ 90	+ 5	+ 5	+ 808

[1] Net of disinvestment. Liabilities: increase +/decrease −.
[2] Excluding the transactions of oil and insurance companies.

UK private investment overseas[1]

TABLE 10

Not seasonally adjusted

£ million

	Direct[2]					
	Unremitted profits	Other	Total	Portfolio	Oil companies' and other miscellaneous investment	Total
1973	− 840	−781	−1,621	+293	−415	−1,743
1974	− 851	−724	−1,575	+755	−298	−1,118
1975	− 873	−221	−1,094	− 49	−138	−1,281
1976	−1,453	−655	−2,108	+169	−217	−2,156
1977	−1,285	−505	−1,790	+ 57	−434	−2,167
1978	−1,250	−843	−2,093	−975	−507	−3,575
1976 *1*	− 335	−261	− 596	− 77	+ 96	− 577
2	− 342	−139	− 481	+ 26	−102	− 557
3	− 379	−103	− 482	+ 46	− 73	− 509
4	− 397	−152	− 549	+174	−138	− 513
1977 *1*	− 293	−252	− 545	+ 36	− 15	− 524
2	− 312	−106	− 418	− 26	−349	− 793
3	− 331	− 3	− 334	+ 40	−129	− 423
4	− 349	−144	− 493	+ 7	+ 59	− 427
1978 *1*	− 276	−189	− 465	−235	− 14	− 714
2	− 309	−352	− 661	−206	+313	− 554
3	− 368	−101	− 469	−213	−257	− 939
4	− 297	−201	− 498	−321	−549	−1,368
1979 *1*	− 366	− 27	− 393	−192	−458	−1,043

[1] Net of disinvestment. Assets: increase −/decrease +.
[2] Excluding the transactions of oil companies but including investment by a number of public corporations.

Import and export credit[1]

TABLE 11

Not seasonally adjusted

£ million

	Import credit					Export credit					
	Credit received by UK businesses			Advance and progress payments	Total	Credit extended by UK banks					
	Identified long-term[2]	Other	Total			Identified long-term	Other	Total	Suppliers' credit[3]	Advance and progress payments	Total
1973	+148	+216	+364	− 16	+348	−254	−120	−374	−324	+146	− 552
1974	+ 68	+138	+206	− 42	+164	−419	−198	−617	−492	+300	− 809
1975	+ 53	+ 65	+118	+106	+224	−633	− 49	−682	−122	+234	− 570
1976	− 40	+246	+206	−117	+ 89	−703	−111	−814	−580	+294	−1,100
1977	+116	+130	+246	+ 21	+267	−596	− 24	−620	−295	+268	− 647
1978	− 76	+195	+119	+ 57	+176	−553	+ 38	−515	−310	+165	− 660
1976 *1*	− 18	+ 18	—	− 60	− 60	−171	− 50	−221	−120	+ 50	− 291
2	+ 54	+ 41	+ 95	− 45	+ 50	−210	− 4	−214	−182	+ 65	− 331
3	− 25	+ 75	+ 50	+ 11	+ 61	−144	− 2	−146	− 70	+ 80	− 136
4	− 51	+112	+ 61	− 23	+ 38	−178	− 55	−233	−208	+ 99	− 342
1977 *1*	+ 31	+ 72	+103	− 36	+ 67	−131	− 59	−190	− 59	+ 60	− 189
2	+ 84	− 27	+ 57	+ 93	+150	−136	+ 2	−134	−157	+ 75	− 216
3	+ 13	+ 9	+ 22	+ 21	+ 43	−136	+ 20	−116	+ 22	+110	+ 16
4	− 12	+ 76	+ 64	− 57	+ 7	−193	+ 13	−180	−101	+ 23	− 258
1978 *1*	+ 26	+ 25	+ 51	+ 91	+142	−121	+ 58	− 63	−250	+ 65	− 248
2	+ 3	− 10	− 7	+ 43	+ 36	−193	−132	−325	− 70	+ 55	− 340
3	− 45	− 20	− 65	− 20	− 85	−138	+106	− 32	− 5	+ 20	− 17
4	− 60	+200	+140	− 57	+ 83	−101	+ 6	− 95	+ 15	+ 25	− 55
1979 *1*	+ 19	+ 60	+ 79	− 59	+ 20	− 61	− 11	− 72	− 30	+ 50	− 52

[1] Excluding trade credit between 'related' firms. Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Credit on ships, commercial aircraft and North Sea installations.
[3] Includes net credit extended by UK merchants on third-country trade.

Other short-term transactions[1]

TABLE 12

Not seasonally adjusted

£ million

	External sterling lending[2]	Official short-term transactions (net)	Other commercial short-term transactions (net)	IMF expenditure and receipts in sterling	Total
1973	+ 35	+19	−195	—	−141
1974	+ 53	−20	−100	—	− 67
1975	+ 94	+15	+176	—	+285
1976	−351	+19	−276	—	−608
1977	+124	+54	− 3	—	+175
1978	−488	+75	− 31	+14	−430
1976 *1*	−244	+15	−110	—	−339
2	−224	− 9	− 84	—	−317
3	−125	+24	− 59	—	−160
4	+242	−11	− 23	—	+208
1977 *1*	+177	−13	− 67	—	+ 97
2	−101	+ 2	+123	—	+ 24
3	− 16	+56	−105	—	− 65
4	+ 64	+ 9	+ 46	—	+119
1978 *1*	−289	+90	− 55	—	−254
2	− 65	−53	+ 2	—	−116
3	− 82	+84	+117	—	+119
4	− 52	−46	− 95	+14	−179
1979 *1*	+134	+51	− 40	—	+145

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Excluding credit for UK exports.

Official financing[1]

TABLE 13

£ million

	Net transactions with overseas monetary authorities							Foreign currency borrowing:			
	International Monetary Fund[2]				Other monetary authorities[3]						
	UK drawings	UK re-purchases	Other net drawings[4]	Total	Foreign currency	Sterling	Total	by HM Government[5]	by public bodies under exchange cover scheme	Drawings on (+)/ additions to (−) official reserves[6]	Total official financing
1973	—	—	—	—	—	—	—	—	+ 999	− 228	+ 771
1974	—	—	—	—	—	—	—	+644	+1,107	− 105	+1,646
1975	—	—	—	—	—	—	—	+423	+ 387	+ 655	+1,465
1976	+1,018	—	—	+1,018	− 20	− 14	− 34	—	+1,792	+ 853	+3,629
1977	+1,525	−412	—	+1,113	—	—	—	+871	+ 243	−9,588	−7,361
1978	—	−948	−68	−1,016	—	—	—	+191	− 378	+2,329	+1,126
1977 *1*	+ 682	—	—	+ 682	—	—	—	+584	+ 18	−3,197	−1,913
2	+ 629	−412	—	+ 217	—	—	—	—	+ 33	−1,158	− 908
3	+ 214	—	—	+ 214	—	—	—	+287	+ 118	−3,227	−2,608
4	—	—	—	—	—	—	—	—	+ 74	−2,006	−1,932
1978 *1*	—	—	—	—	—	—	—	—	− 219	+ 46	− 173
2	—	−463	−42	−505	—	—	—	+191	− 218	+2,026	+1,494
3	—	—	−26	− 26	—	—	—	—	− 130	− 54	− 210
4	—	−485	—	−485	—	—	—	—	+ 189	+ 311	+ 15
1979 *1*	—	—	—	—	—	—	—	—	+ 75	− 955	− 880

[1] From 23 August 1971, valued in sterling at market related rates of exchange. [2] Components and the total are rounded independently. From July 1972, excludes transactions which affect the UK reserve position in the IMF. UK drawings on the oil facility are included. [3] Net borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart, and other special swaps. [4] Drawings (−) and repurchases (+) in sterling by other countries. [5] Drawings on two euro-dollar facilities for HM Government to borrow $2,500 million and $1,500 million, and a $350 million bond issue in New York. [6] From July 1972, includes transactions affecting the UK reserve position in the IMF.

UK transactions and position with IMF[1]

TABLE 14

£ million

	Transactions affecting IMF holdings of sterling[2]								End of period		
	Reserve tranche[3]		Credit tranches							UK tranche position[6]	
	UK net drawings	Net drawings by other countries	UK net drawings	Net drawings by other countries	Special facilities UK net drawings[4]	Maintenance of value payments[5]	UK subscription in sterling	Total change in IMF holdings of sterling	IMF holdings of sterling	Total	Of which reserve tranche
1973	—	—	—	—	—	+57	—	+57	1,189	1,292	52
1974	—	−46	—	—	—	—	—	−46	1,143	1,544	106
1975	—	−54	—	—	—	—	—	−54	1,089	1,779	175
1976	+174	—	+437	—	+573	+536	—	+1,720	2,808	2,097	—
1977	—	—	+1,056	—	—	+286	—	+1,342	4,150	1,163	—
1978	−389	−68	−574	—	—	− 21	+84	−968	3,182	1,392	—
1977 *1*	—	—	+624	—	—	—	—	+624	3,432	1,492	—
2	—	—	+216	—	—	+286	—	+502	3,934	1,379	—
3	—	—	+216	—	—	—	—	+216	4,150	1,163	—
4	—	—	—	—	—	—	—	—	4,150	1,163	—
1978 *1*	—	—	—	—	—	—	—	—	4,150	1,163	—
2	—	−42	−473	—	—	−35	+84	−466	3,684	1,152	—
3	—	−26	—	—	—	—	—	−26	3,658	1,118	—
4	−389	—	−101	—	—	+14	—	−476	3,182	1,392	—
1979 *1*	—	—	—	—	—	—	—	—	3,182	1,392	—

[1] Components and totals may differ due to roundings.
[2] Increase in IMF holdings of sterling + /decrease −. The UK does not borrow from the IMF but purchases foreign currency with sterling, A UK drawing (purchase) from the IMF is therefore shown +, and a repayment (repurchase) −. From 1972 valued at the rates of exchange at which the IMF accounts for its holdings of sterling at the time of the transaction (not necessarily the prevailing market rate).
[3] The use of sterling by other countries in the second and third quarters of 1978 and the UK repurchase in the fourth quarter of 1978 did not reconstitute the UK reserve position in the IMF as the IMF's holdings of sterling then exceeded 100% of quota.
[4] UK drawing on oil facility.
[5] Includes a sterling payment of £14 million in the fourth quarter of 1978 for the third IMF gold restitution to members.
[6] The amount available at the end of each period which the UK could arrange to draw under the IMF's ordinary facilities. Figures are valued at the rates of exchange at which the IMF accounts for its holdings of sterling at the end of the period. Changes derived from outstanding levels therefore differ from those calculated from the flows in cols 1–8, where the latter are valued at the appropriate rate on the day of the transaction.

Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions

Summary

TABLE 15

	£ million							
	End of period							
	Exchange reserves in sterling held by central monetary institutions[1]					Banking and money market liabilities to holders other than CMIs		
			Banking and money market liabilities, etc.					
	Total	British government stocks[2]	Total	External deposits[3]	Treasury bills[4]	Total	External deposits[3]	Treasury bills
Total countries								
1973	3,379	1,428	1,951	1,439	512	2,284	2,280	4
1974[2]	4,725	1,295	3,430	1,870	1,560	2,432	2,426	6
	4,303	959	3,344	1,784	1,560	2,500	2,494	6
1975	3,714	1,023	2,691	1,629	1,062	3,229	3,201[5]	28
1976	2,203	964	1,239	813	426	3,484	3,470	14
1977 *1*	2,400	884	1,516	805	711	3,683	3,671	12
2	1,970	779	1,191	603	588	4,033	4,016	17
3	2,050	820	1,230	657	573	4,356	4,342	14
4	2,132	1,077	1,055	737	318	4,965	4,945	20
1978 *1*	2,279	1,072	1,207	839	368	4,903	4,894	9
2	2,003	974	1,029	604	425	4,751	4,737	14
3	2,004	923	1,081	617	464	4,910	4,896	14
4	1,735	824	911	494	417	5,266	5,261	5
1979 *1*	1,870	845	1,025	536	489	5,740	5,729	11
International organisations[6]								
1973	310	128	182	20	162	—	—	—
1974[2]	363	126	237	51	186	—	—	—
	331	94	237	51	186	—	—	—
1975	386	120	266	68	198	—	—	—
1976	436	139	297	65	232	—	—	—
1977 *1*	429	54	375	92	283	—	—	—
2	461	155	306	108	198	—	—	—
3	455	145	310	93	217	—	—	—
4	703	246	457	143	314	—	—	—
1978 *1*	716	217	499	184	315	—	—	—
2	761	295	466	167	299	—	—	—
3	769	312	457	153	304	—	—	—
4	875	278	597	152	445	—	—	—
1979 *1*	881	131	750	248	502	—	—	—
Total all holders								
1973	3,689	1,556	2 133	1,459	674	2,284	2,280	4
1974[2]	5,088	1,421	3,667	1,921	1,746	2,432	2,426	6
	4,634	1,053	3,581	1,835	1,746	2,500	2 494	6
1975	4,100	1,143	2,957	1,697	1,260	3,229	3,201[5]	28
1976	2,639	1,103	1.536	878	658	3,484	3,470	14
1977 *1*	2,829	938	1,891	897	994	3,683	3,671	12
2[8]	2,431	934	1,497	711	786	4,033	4,016	17
3	2,505	965	1,540	750	790	4,356	4,342	14
4	2,835	1,323	1,512	880	632	4,965	4,945	20
1978 *1*	2,995	1,289	1,706	1,023	683	4,903	4,894	9
2	2,764	1,269	1,495	771	724	4,751	4,737	14
3	2,773	1,235	1,538	770	768	4,910	4,896	14
4	2,610	1,102	1,508	646	862	5,266	5,261	5
1979 *1*	2,751	976	1,775	784	991	5,740	5,729	11

[1] Sterling reserves of overseas countries and international organisations (other than the IMF) as reported by UK banks, etc.

[2] A modified reporting system was introduced at the end of 1974 giving rise to some change of definition and coverage. In particular, since 1974, all fourth quarter figures of holdings of British government stocks are now recorded at approximate market values instead of at nominal values, whereas, for the other quarters, holdings of British government stocks reflect the cash flows during each quarter. Therefore, the apparent change during the fourth quarter differs by the amount of the revaluation from the cash flows recorded in Table 7.

[3] Deposits with banks, local authorities and other financial institutions.

[4] Including certain non-interest-bearing notes.

Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions

Geographical analysis

TABLE 15 (*continued*)

£ million

End of period

	Exchange reserves in sterling held by central monetary institutions[1]					Banking and money market liabilities to holders other than CMIs		
			Banking and money market liabilities, etc.					
	Total	British government stocks[2]	Total	External deposits[3]	Treasury bills	Total	External deposits[3]	Treasury bills
EEC countries								
1973	288	107	181	159	22	468	467	1
1974[2]	223	63	160	127	33	501	500	1
	177	60	117	84	33	518	517	1
1975	124	25	99	46	53	774	751[5]	23
1976	186	10	176	100	76	899	887	12
1977 *1*	262	10	252	100	152	896	886	10
2	151	10	141	38	103	925	911	14
3	175	—	175	102	73	1,052	1,042	10
4	174	—	174	103	71	1,309	1,292	17
1978 *1*	131	—	131	81	50	1,185	1,179	6
2	150	—	150	134	16	1,145	1,136	9
3	169	6	163	107	56	1,152	1,142	10
4	171	6	165	62	103	1,265	1,265	—
1979 *1*	144	6	138	70	68	1,310	1,305	5
Oil-exporting countries[7]								
1973	959	103	856	719	137	314	314	—
1974[2]	3,183	490	2,693	1,387	1,306	307	306	1
	3,101	423	2,678	1,369	1,309	344	343	1
1975	2,838	624	2,214	1,381	833	466	466	—
1976	1,421	736	685	462	223	497	497	—
1977 *1*	1,443	658	785	531	254	532	532	—
2	1,197	625	572	388	184	828	827	1
3	1,288	672	616	344	272	787	786	1
4	1,360	868	492	407	85	747	746	1
1978 *1*	1,404	850	554	481	73	789	788	1
2	1,212	743	469	270	199	790	789	1
3	1,169	689	480	258	222	861	861	—
4	1,006	618	388	231	157	984	983	1
1979 *1*	1,072	648	424	223	201	1,107	1,106	1
Other countries								
1973	2,132	1,218	914	561	353	1,502	1,499	3
1974[2]	1,319	742	577	356	221	1,624	1,620	4
	1,025	476	549	331	218	1,638	1,634	4
1975	752	374	378	202	176	1,989	1,984	5
1976	596	218	378	251	127	2,088	2,086	2
1977 *1*	695	216	479	174	305	2,255	2,253	2
2	622	144	478	177	301	2,280	2,278	2
3	587	148	439	211	228	2,517	2,514	3
4	598	209	389	227	162	2,909	2,907	2
1978 *1*	744	222	522	277	245	2,929	2,927	2
2	641	231	410	200	210	2,816	2,812	4
3	666	228	438	252	186	2,897	2,893	4
4	558	200	358	201	157	3,017	3,013	4
1979 *1*	654	191	463	243	220	3,323	3,318	5

[5] Improvements in coverage in the second quarter of 1975 added some £180 million.
[6] Excluding IMF.
[7] Algeria, Bahrain, Brunei, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates, and Venezuela.
[8] Exchange reserves in sterling were reduced following the take-up of £395 million of British government foreign currency bonds in April 1977 – mainly by overseas monetary authorities.

External liabilities and claims of United Kingdom banks in overseas currencies[1]

TABLE 16

£ million

End of period

	Total all currencies	Currency: US dollars	Currency: Other overseas currencies	Area of holder: Western Europe: EEC countries	Area of holder: Western Europe: Other countries	Area of holder: North America	Area of holder: Oil-exporting countries[2]	Area of holder: Other countries[3]
United Kingdom liabilities								
1972	25,460	20,539	4,921	14,327		3,294	1,698	6,141
1973	39,017	29,770	9,247	12,606	9,737	4,240	2,012	10,422
1974[4]	47,451	37,810	9,641	11,996	11,011	4,738	7,888	11,818
1975	63,368	51,488	11,880	15,972	13,241	6,771	11,198	16,186
1976	87,319	71,958	15,361	20,477	15,898	9,334	16,648	24,962
1977 *1*	87,625	72,182	15,443	19,953	15,297	9,237	17,468	25,670
2	90,577	73,760	16,817	20,454	16,225	10,794	18,244	24,860
3	92,240	74,808	17,432	19,625	17,373	11,060	18,245	25,937
4[5]	89,338	71,213	18,125	20,727	17,167	10,790	16,614	24,040
1978 *1*	94,491	73,788	20,703	21,610	18,732	12,657	17,084	24,408
2	96,359	76,203	20,156	21,909	20,057	12,017	16,192	26,184
3	99,281	77,069	22,212	21,949	20,861	12,283	15,689	28,499
4	104,566	81,943	22,623	23,566	20,251	14,952	14,979	30,818
1979 *1*[6]	104,842	82,443	22,399	22,356	20,620	14,596	15,615	31,655
United Kingdom claims								
1972	24,019	19,422	4,597	11,165		3,206	522	9,126
1973	36,274	28,174	8,100	12,518	3,923	4,424	825	14,584
1974[4]	43,651	35,194	8,457	12,086	4,987	5,066	992	20,520
1975	58,440	47,914	10,526	15,362	6,548	4,041	1,677	30,812
1976	81,076	66,139	14,937	21,309	9,016	6,022	3,193	41,536
1977 *1*	80,524	65,828	14,696	20,864	8,853	5,085	3,718	42,004
2	84,159	68,300	15,859	22,758	9,716	5,947	4,496	41,242
3	85,544	69,534	16,010	23,337	10,291	7,012	4,651	40,253
4	83,000	65,585	17,415	24,432	10,089	6,948	4,783	36,748
1978 *1*	88,066	68,289	19,777	26,445	10,892	6,113	5,468	39,148
2	91,034	71,434	19,600	27,077	11,213	6,620	6,022	40,102
3	94,063	72,812	21,251	27,679	11,454	6,386	6,525	42,019
4	99,387	76,880	22,507	30,943	11,748	7,314	7,044	42,338
1979 *1*[6]	98,668	77,237	21,431	29,382	11,739	7,947	7,038	42,562
Net liabilities[7]								
1972	1,441	1,117	324	3,162		88	1,176	— 2,985
1973	2,743	1,596	1,147	88	5,814	— 184	1,187	— 4,162
1974[4]	3,800	2,616	1,184	— 90	6,024	— 328	6,896	— 8,702
1975	4,928	3,574	1,354	610	6,693	2,730	9 521	—14,626
1976	6,243	5,819	424	— 832	6,882	3,312	13,455	—16,574
1977 *1*	7,101	6,354	747	— 911	6,444	4,152	13,750	—16,334
2	6,418	5,460	958	— 2,304	6,509	4,847	13,748	—16,382
3	6,696	5,274	1,422	— 3,712	7,082	4,048	13,594	—14,316
4[5]	6,338	5,628	710	— 3,705	7,078	3,842	11,831	—12,708
1978 *1*	6,425	5,499	926	— 4,835	7,840	6,544	11,616	—14,740
2	5,325	4,769	556	— 5,168	8,844	5,397	10,170	—13,918
3	5,218	4,257	961	— 5,730	9,407	5,897	9,164	—13,520
4	5,179	5,063	116	— 7,377	8,503	7,638	7,935	—11,520
1979 *1*[6]	6,174	5,206	968	— 7,026	8,881	6,649	8,577	—10,907

[1] Including certain other financial institutions. Including revaluations in sterling terms, (excluded from Table 6) and liabilities incurred by UK banks in respect of borrowings by UK public bodies under the exchange cover scheme and HM Government drawings on two euro-dollar facilities.

[2] See footnote [7] to Table 15.

[3] Including unallocated items. For end-March 1978 onwards unallocated dollar certificates of deposit became negligible as a result of improvements in reporting arrangements.

[4] Although new reporting arrangements were introduced in December 1974, these are not thought to have led to any major inconsistencies between the figures from end-1974 onwards and for earlier figures, except for the exclusion of claims, on overseas customers, arising from acceptances, which contributed some £100 million in the earlier figures.

[5] An improvement in the coverage of UK financial institutions reporting holdings of US dollar certificates of deposit has reduced UK external liabilities for end-1977 onwards (at end-1977 the reduction was about £50 million).

[6] The figures for March 1979 are not consistent with those for earlier periods because of coverage differences. A comparable figure for total net liabilities at the end of 1978 would be about £300 million higher than that shown.

[7] Minus sign indicates that claims exceed liabilities.

Official reserves[1, 2]

TABLE 17

	$ million					£ million
	End of period					
	Gold	IMF special drawing rights	Convertible currencies	Reserve position in the IMF	Total	Total[3]
1972	801	656	4,063	126	5,646	2,404
1973	887	724	4,725	140	6,476	2,787
1974	888	830	4,823	248	6,789	2,890
1975	888	840	3,335	366	5,429	2,683
1976 *1*	888	830	4,187	—	5,905	3,082
2	888	790	3,634	—	5,312	2,976
3	888	759	3,511	—	5,158	3,092
4	888	728	2,513	—	4,129	2,426
1977 *1*	913	673	8,032	—	9,618	5,592
2	913	628	10,031	—	11,572	6,727
3	913	592	15,666	—	17,171	9,826
4	938	604	19,015	—	20,557	10,715
1978 *1*	938	565	18,817	—	20,320	10,910
2	938	598	15,006	—	16,542	8,891
3	938	713	14,860	—	16,511	8,365
4	964	500	14,230	—	15,694	7,689
1979 *1*	965	918	15,571	—	17,454	8,446
	4,081	981	16,885	—	21,947	10,620

[1] Until end-March 1979 convertible currencies are valued in dollars at middle or central rates. Special drawing rights are valued at SDR1 = $1·08571 for end-1972 and at SDR1 = $1·20635 from end 1973 to end March 1979. Gold is valued at $38 per fine ounce for end-1972 and at $42·2222 per fine ounce from end-1973 to end-March 1979.

[2] From end-March 1979 the rates at which the reserves are valued in dollars are revised annually. Convertible currencies and SDR's are valued at the average of the middle market closing rates in the three months to end-March, and gold at the average of the London fixing prices for the three months up to end-March less a 25% discount.

[3] Total reserves valued as in [1] and [2] above are converted to sterling at end-period dollar/sterling middle-market closing rates.

Official financing liabilities and official reserves [1]

TABLE 18

	£ million						
	End of period						
		Borrowing from other monetary authorities		Other foreign currency borrowing by			
	IMF[2]	Foreign currency deposits	Other[3]	HM Government	public bodies under exchange cover scheme	Total official financing liabilities	Official reserves
1972	—	—	—	—	156	156	2,404
1973	—	—	—	—	1,283	1,283	2,787
1974	—	—	—	638	2,380	3,018	2,890
1975	—	—	—	1,235	3,174	4,409	2,683
1976 *1*	630	—	—	1,305	3,654	5,589	3,082
2	1,149	353	224	1,401	4,515	7,642	2,976
3	1,230	566	360	1,499	5,338	8,993	3,092
4	1,205	—	—	1,469	5,646	8,320	2,426
1977 *1*	1,893	—	—	2,035	5,604	9,532	5,592
2	2,118	—	—	2,034	5,636	9,788	6,727
3	2,306	—	—	2,289	5,663	10,258	9,826
4	2,100	—	—	2,085	5,219	9,404	10,715
1978 *1*	2,163	—	—	2,148	5,146	9,457	10,910
2	1,671	—	—	2,338	4,961	8,970	8,891
3	1,551	—	—	2,204	4,554	8,309	8,365
4	1,055	—	—	2,131	4,579	7,765	7,689
1979 *1*	1,042	—	—	2,105	4,584	7,731	8,446
	1,113	—	—	2,105	4,791	8,009	10,620

[1] Data denominated in dollars are converted to sterling at end-period middle-market closing rates. Non-dollar currencies are first converted to dollars using, until end-March 1979, middle or central rates. Thereafter non-dollar currencies are valued in dollars at the average of the middle-market closing rates in the three months to end-March, the average to be revised annually.

[2] Drawings from the IMF, net of repayments by the United Kingdom and drawings of sterling from the IMF by other countries. Excludes interest, charges in sterling, and, from 1972, transactions which affect the UK reserve position in the IMF. (See Table 13 Official financing, and Table 14 UK transactions and position with the IMF.)

[3] Borrowing and assistance with a sterling counterpart.

Exchange rates

TABLE 19

	Sterling effective exchange rate index (21 December 1971 = 100)		US dollars per £		SDR'S per £
	End of period[1]	Period averages[2]	End of period[1]	Period averages[2]	End of period[3]
1972	89·8	95·2	2·3481	2·5015	2·1627
1973	82·6	86·3	2·3235	2·4526	1·9258
1974	78·6	83·6	2·3495	2·3402	1·9182
1975	72·6	77·2	2·0233	2·2200	1·7285
1976 *1*	69·5	72·0	1·9158	1·9975	1·6567
2	64·9	65·8	1·7847	1 8052	1·5542
3	60·1	64·1	1·6680	1·7664	1·4498
4	61·1	59·6	1·7020	1·6511	1·4653
1977 *1*	61·9	61·8	1·7201	1·7138	1·4839
2	61·3	61·6	1·7202	1·7190	1·4755
3	62·2	61·8	1·7475	1·7354	1·5010
4	65·2	63·3	1·9185	1·8134	1·5691
1978 *1*	61·7	65·4	1·8625	1·9276	1·5011
2	61·5	61·5	1·8605	1·8354	1·5007
3	62·7	62·4	1·9739	1·9319	1·5394
4	64·0	62·7	2·0410	1·9838	1·5617
1979 *1*	66·1	64·1	2·0665	2·0160	1·6077

[1] Middle market telegraphic transfer rates as recorded in London by the Bank of England during the late afternoon. End of period relates to the last working day
[2] Average of trading day rates as described above.
[3] As calculated by the IMF.

Regional accounts: preliminary estimates for 1977

Introduction

This article presents preliminary estimates of gross domestic product (GDP) and personal incomes for 1977 for the eleven standard regions of the United Kingdom and for the Greater London area within the South East region. The estimates have been calculated using the methodology described in Studies in Official Statistics No. 31, *Regional Accounts* (HMSO 1978).

The preliminary estimates for 1977 of GDP by region are based on less information than usual, and must therefore be interpreted with special care. Delays in processing the Census of Employment for 1977 have meant that data on employment by industry within region are not available. Estimates based on the Department of Employment's quarterly employment sample have had to be substituted. It is expected that revised estimates for 1977 using the Census results and the regional controls for wages and salaries derived from the Department of Health and Social Security's 1 per cent sample of contributors to national insurance will be published later this year.

The regional estimates for 1974 to 1976 have been revised to bring the national totals into line with the figures published in the national income article in the April 1979 edition of *Economic Trends*.

UK economic activity in 1977

Output in the United Kingdom as a whole grew by 2 per cent at constant prices between 1976 and 1977. In current price terms the increase of 13 per cent in 1977 was markedly lower than in 1976, but this was entirely accounted for by a slowing down in the rate of inflation. The analysis of GDP by industry suggests some change in the industrial growth pattern between the two periods 1971 to 1974, and 1974 to 1977. In the earlier period, value added in services, mining and construction grew more rapidly than manufacturing, but in the later period, growths in the production industries and services were more nearly equal, although metal manufacture and construction grew relatively slowly. These changes in the overall industrial growth pattern had the effect of improving the relative positons of Yorkshire and Humberside, East and West Midlands and the North West, but adversely affecting the North, the South East, the South West and Wales.

Regional GDP in 1977

Estimates of GDP per head at current prices for each region are given for 1971 to 1977 in Table 1 of the appendix.

Table A shows annual figures of the difference in the changes in GDP per head for each region compared with the national average. Changes are shown for the latest year (1977), the post-oil crisis years (1974 to 1977) and for a longer period 1971 to 1977.

The table shows clearly that while GDP per head rose in all the regions, relative improvements over most of the seventies were greatest in the North, Scotland, Wales and Northern Ireland compared with the national average.

Difference between the percentage increase in GDP per head in each region and the national average

TABLE A

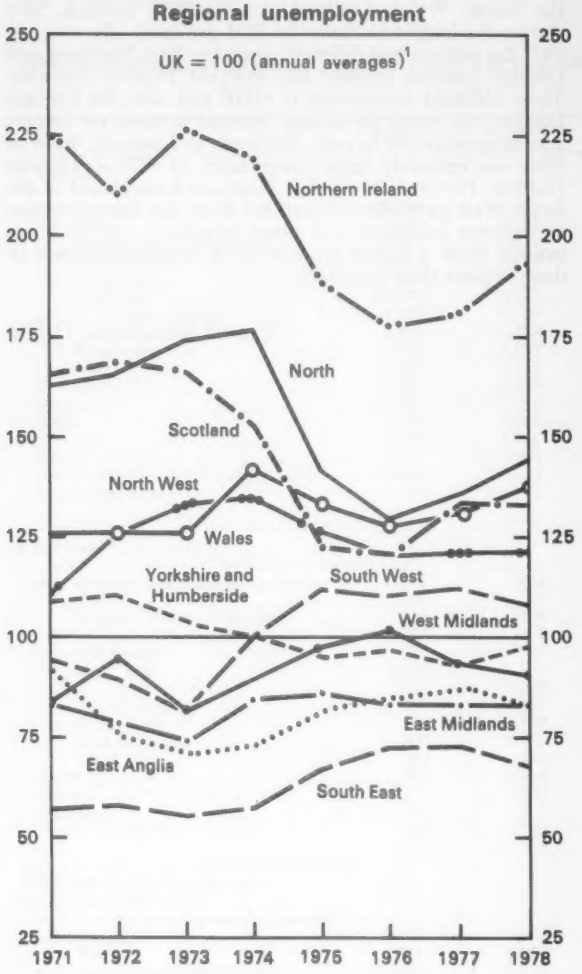
	Percentages		
	1976–77	1974–77 (annual rate)	1971–77 (annual rate)
North	−1·6	+0·8	+1·4
Yorkshire and Humberside	+1·2	+0·5	+0·6
East Midlands	+2·0	+0·2	+0·0
East Anglia	−4·0	−0·8	−1·0
Greater London	+1·5	−0·7	−0·3
Rest of South East	−1·6	−0·8	−0·4
South West	+0·3	+0·1	−0·2
West Midlands	+0·9	−0·6	−0·9
North West	+0·8	+0·5	+0·2
Wales	+0·3	+2·4	+1·0
Scotland	−0·9	+0·8	+0·8
Northern Ireland	−2·7	+2·3	+1·1

Both regional aids and, for Scotland and the North, the growth of oil-related employment were important contributory factors to above average growth of these regions. Between 1976 and 1977 however, oil-related employment did not make a further contribution to growth and after 1974 both the lower level of economic activity, which acted to dampen the effects of regional incentives, and some diminution of the real value of incentives may have affected the performance of these regions. The same pattern may be observed from Figure 1 which shows that regional unemployment rates in Northern Ireland, the North and Scotland have increased as a percentage of the United Kingdom's rate since 1976.

GDP per head in the *North* region grew by less than the national average in 1977 on preliminary estimates, reversing the movements over the period 1971 to 1976 when growth in the North had been above the national rate. Growth in manufacturing was particularly weak in 1977 although this was partly offset by the service industries which have followed the national pattern of relatively rapid growth in recent years.

In the *Yorkshire and Humberside* region GDP per head grew about 1 per cent faster than the UK average in 1977, maintaining the slightly above-average trend over the years since 1971. Apart from agriculture and 'other production' industries in which the growth relative to the United Kingdom was slow, most other sectors in *Yorkshire and Humberside* have grown at above-average rates, although much of the growth occurred relatively early during the period.

Regional unemployment



[1] Unemployment rates exclude adult students registered for vacation employment. The denominator used in calculating the unemployment rate is the appropriate mid-year estimate of total employees (employed and unemployed), except for 1977 which is based on the 1976 estimate of total employees.

The *East Midlands* increase in GDP per head was higher than the national average in 1977. *East Anglia's* GDP per head rose in 1977 by the smallest amount of all the UK regions. This movement repeated the pattern observed over the longer term; between 1971 and 1977 GDP per head in East Anglia fell from 94·6 per cent of the national average to 90 per cent.

Growth in GDP per head in the *South East* and *South West* was around the national average in 1977, although over the longer period 1971 to 1977 both regions grew at a little below the UK average rate.

GDP per head in the *West Midlands* increased at a little above the national average in 1977, possibly indicating some recovery from the trend earlier in the decade of well below average growth. Unemployment figures for the West Midlands support this judgement; between 1971 and 1976 the unemployment rate in the region rose from 83 per cent to 101 per cent of the UK average, but by 1978 had fallen back to 90 per cent. (Figure 1 refers)

Growth in the *North West* remained a little above the national average in 1977, consistent with the average established over the period 1971 to 1976.

GDP per head in *Wales* increased at around the UK average rate in 1977, although over the longer period from 1971 to 1977 the annual increase in GDP per head in Wales was above the UK average. Growth in Wales may have slackened relative to the UK average more recently. The Welsh index of production rose by $1\frac{1}{2}$ per cent in 1978 compared with 1977, a little less than the rise in the UK index for all industries excluding the extraction of oil and natural gas. The Welsh unemployment rate expressed as a percentage of the national average was a little higher in 1978 than in 1977.

GDP per head in *Scotland* grew a little below the UK average rate in 1977, with the ending of the period of rapid growth of oil-related employment. Growth over the period 1971 to 1976 had been above the national rate by 1 per cent per annum with particularly strong relative growth in the Scottish chemicals, engineering and construction industries. Over this period the Scottish unemployment rate fell from 166 per cent of the national average to 121 per cent, but more recent periods from 1976 to 1978 have shown some increase to 134 per cent.

The growth of GDP per head in *Northern Ireland* in 1977 was well below the UK average, although the longer term average growth rate between 1971 and 1977 for Northern Ireland has been the highest of all regions, except the North. Growth has been concentrated mainly in the service industries. Manufacturing only just matched the UK growth rate over this longer period.

Personal incomes in 1977

Table B shows the difference in the percentage change in personal disposable income (PDI) in each region and the national average in 1977 and as an annual rate between 1971 and 1977.

Difference between the percentage change in personal disposable income per head and the national average

TABLE B

	Percentages	
	1977	1971–77 (annual rate)
North	−1·4	+1·0
Yorkshire and Humberside	+0·9	+0·4
East Midlands	+2·6	−0·1
East Anglia	−5·0	−1·1
Greater London	+2·1	+0·3
Rest of South East	−1·7	−1·1
South West	+0·9	−0·1
West Midlands	+1·0	−0·5
North West	+0·3	+0·3
Wales	+0·3	+1·2
Scotland	−1·0	+0·9
Nortern Ireland	−3·4	+2·1

The average increase in PDI of nearly 13 per cent in 1977 must be considered in the light of the national rate of inflation (as measured by the consumers' expenditure deflator) of nearly 15 per cent. Real incomes after tax consequently fell on average in 1977. The regional variations of personal disposable incomes at current prices shown in Table B cannot be interpreted as differences in real terms. This is because the rate of increase of consumer prices may not have been the same in all regions.

Income from employment is the major component of both GDP per head and PDI per head, and the rates of change of the two series therefore move broadly in line. Over the period 1971 to 1977 the assisted regions, especially the North, Wales, Scotland and Northern Ireland, have shown the largest increases in PDI per head. However, in 1977 the pattern was different when the East Midlands and Greater London enjoyed the sharpest relative increases. These reflected movements in GDP and also, for Greater London, the small percentage increase in taxes on income and large increases in rent, dividends and interest. Both of these are relatively large components of PDI in Greater London. Personal incomes in Northern Ireland and in the South West particularly benefitted from the sharp increase in national insurance and other benefits in 1977. These benefits form a higher proportion of personal incomes in these regions than elsewhere.

Central Statistical Office

APPENDIX

Gross domestic product at current factor cost, 1971—77

TABLE 1

	1971[1]	1972[1]	1973[1]	1974	1975	1976	1977
£ million							
United Kingdom	48,857	55,289	63,304	72,520	92,119	108,328	122,889
North	2,519	2,901	3,367	3,734	4,874	5,733	6,333
Yorkshire and Humberside	3,925	4,432	5,052	6,016	7,532	8,936	10,140
East Midlands	2,852	3,285	3,794	4,610	5,947	6,800	7,795
East Anglia	1,403	1,573	1,860	2,114	2,733	3,271	3,566
South East	17,345	19,571	22,282	25,103	31,520	36,501	40,867
Greater London	8,191	9,169	10,365	11,720	14,782	16,548	18,670
Rest of South East	9,154	10,402	11,917	13,383	16,738	19,953	22,197
South West	3,134	3,589	4,118	5,079	6,349	7,639	8,651
West Midlands	4,632	5,165	5,874	6,701	8,505	9,707	10,993
North West	5,713	6,494	7,378	8,204	10,374	12,178	13,742
England	41,523	47,010	53,725	61,561	77,834	90,765	102,087
Wales	2,110	2,404	2,761	3,134	4,115	4,948	5,571
Scotland	4,236	4,748	5,526	6,378	8,250	9,726	10,827
Northern Ireland	1,019	1,095	1,292	1,509	1,923	2,422	2,655
United Kingdom *less* Continental Shelf	48,888	55,257	63,304	72,582	92,122	107,861	121,140
Continental Shelf[3]	−31	32	0	−62	−3	467	1,749
£ per head[2]							
United Kingdom *less* Continental Shelf	879	990	1,132	1,298	1,648	1,930	2,169
North	765	880	1,022	1,193	1,559	1,835	2,032
Yorkshire and Humberside	816	918	1,046	1,230	1,541	1,831	2,080
East Midlands	841	962	1,100	1,239	1,593	1,818	2,080
East Anglia	832	920	1,070	1,194	1,524	1,802	1,952
South East	1,003	1,130	1,287	1,483	1,867	2,165	2,428
Greater London	1,101	1,248	1,424	1,631	2,078	2,351	2,679
Rest of South East	930	1,043	1,188	1,373	1,712	2,031	2,250
South West	827	936	1,062	1,207	1,500	1,794	2,022
West Midlands	904	1,003	1,138	1,296	1,646	1,882	2,133
North West	847	962	1,092	1,247	1,581	1,862	2,108
England	900	1,015	1,157	1,327	1,678	1,957	2,202
Wales	775	879	1,005	1,136	1,488	1,787	2,013
Scotland	812	911	1,060	1,222	1,585	1,869	2,084
Northern Ireland	663	709	835	976	1,251	1,575	1,728
Per head, United Kingdom *less* Continental Shelf = 100							
United Kingdom	100·0	100·0	100·0	100·0	100·0	100·0	100·0
North	87·1	88·8	90·3	91·9	94·6	95·1	93·7
Yorkshire and Humberside	92·8	92·7	92·4	94·8	93·5	94·9	95·9
East Midlands	95·7	97·1	97·2	95·5	96·7	94·2	95·9
East Anglia	94·6	92·4	94·5	92·0	92·5	93·4	90·0
South East	114·1	114·1	113·7	114·2	113·3	112·2	111·9
Greater London	125·2	126·0	125·8	125·7	126·1	121·8	123·5
Rest of South East	105·7	105·3	104·9	105·8	103·9	105·2	103·8
South West	94·0	94·5	93·8	93·0	91·0	93·0	93·2
West Midlands	102·9	101·2	100·5	99·8	99·9	97·5	98·3
North West	96·3	97·1	96·5	96·1	95·9	96·5	97·2
England	102·4	102·5	102·2	102·2	101·8	101·4	101·5
Wales	88·1	88·8	88·8	87·5	90·3	92·6	92·8
Scotland	92·4	92·0	93·7	94·2	96·2	96·8	96·1
Northern Ireland	75·4	71·6	73·8	75·2	75·9	81·6	79·7

[1] Owing to the reorganisation of local government in April 1974 the figures for the North, Yorkshire and Humberside, East Midlands, South East, South West and North West for 1974, 1975, 1976 and 1977 are based on different boundaries from those for earlier years.

[2] Estimates of gross domestic product per head cannot be calculated for the Continental Shelf region as there is no resident population in this region.

[3] Gross domestic product for the Continental Shelf region does not include income from employment which is allocated throughout the regional accounts to the region of residence of the employee. Estimates of income from employment relating to activity in the Continental Shelf region are:

	1971	1972	1973	1974	1975	1976	1977
£ million:	1	2	2	2	3	3	4

Factor incomes in the gross domestic product

TABLE 2

	£ million					
	Income from employment	Income from self-employment	Gross trading profits and surpluses	*less* Stock appreciation	Rent[2]	Gross domestic product
1974						
United Kingdom	52,783	7,677	12,214	6,205	6,051	72,520
North	2,690	333	805	366	272	3,734
Yorkshire and Humberside	4,427	592	1,161	547	383	6,016
East Midlands	3,405	509	748	388	336	4,610
East Anglia	1,387	387	359	217	198	2,114
South East	18,426	2,535	3,519	1,861	2,484	25,103
South West	3,578	700	731	372	442	5,079
West Midlands	5,061	580	1,176	639	523	6,701
North West	6,029	729	1,588	770	628	8,204
England	45,003	6,365	10,087	5,160	5,268	61,561
Wales	2,166	355	732	356	237	3,134
Scotland	4,544	740	1,172	537	459	6,379
Northern Ireland	1,070	217	285	152	89	1,509
Continental Shelf[1]	—	—	−62	—	—	−62
1975						
United Kingdom	68,290	8,818	13,412	5,720	7,319	92,119
North	3,616	410	882	363	329	4,874
Yorkshire and Humberside	5,645	714	1,207	507	473	7,532
East Midlands	4,399	585	911	382	434	5,947
East Anglia	1,845	446	424	217	235	2,733
South East	23,550	2,773	3,949	1,717	2,965	31,520
South West	4,517	798	844	354	544	6,349
West Midlands	6,576	672	1,204	581	634	8,505
North West	7,758	843	1,744	724	753	10,374
England	57,906	7,241	11,165	4,845	6,367	77,834
Wales	3,007	423	618	223	290	4,115
Scotland	5,988	888	1,343	518	549	8,250
Northern Ireland	1,389	266	289	134	113	1,923
Continental Shelf[1]	—	—	−3	—	—	−3
1976						
United Kingdom	78,241	10,481	17,568	6,625	8,663	108,328
North	4,162	500	1,104	407	374	5,733
Yorkshire and Humberside	6,534	846	1,585	587	558	8,936
East Midlands	4,954	627	1,162	445	502	6,800
East Anglia	2,143	571	530	253	280	3,271
South East	26,817	3,104	4,875	1,856	3,561	36,501
South West	5,248	1,102	1,060	433	662	7,639
West Midlands	7,368	676	1,562	642	743	9,707
North West	8,932	958	2,261	849	876	12,178
England	66,158	8,384	14,139	5,472	7,556	90,765
Wales	3,443	650	857	337	335	4,948
Scotland	6,969	1,019	1,743	654	649	9,726
Northern Ireland	1,671	428	362	162	123	2,422
Continental Shelf[1]	—	—	467	—	—	467
1977						
United Kingdom	85,861	11,561	20,744	5,196	9,919	122,889
North	4,503	548	1,157	302	427	6,333
Yorkshire and Humberside	7,231	929	1,797	467	650	10,140
East Midlands	5,529	767	1,275	340	564	7,795
East Anglia	2,335	528	572	188	319	3,566
South East	29,294	3,461	5,517	1,494	4,089	40,867
South West	5,833	1,238	1,179	357	758	8,651
West Midlands	8,181	740	1,703	487	856	10,993
North West	9,813	1,071	2,538	663	983	13,742
England	72,719	9,282	15,738	4,298	8,646	102,087
Wales	3,807	706	947	266	377	5,571
Scotland	7,559	1,108	1,905	507	762	10,827
Northern Ireland	1,776	465	405	125	134	2,655
Continental Shelf[1]	—	—	1,749	—	—	1,749

[1] See footnote [3] to Table 1 on page 101.
[2] Including imputed charges for consumption of non-trading capital.

Personal income and personal disposable income

TABLE 3

£ million

	Income from employment	Income from self employment	Rents, dividends, and net interest	National insurance benefits, etc[1]	Total personal income	*less* Taxes, etc.	Personal disposable income
1974							
United Kingdom	52,783	7,677	7,544	8,042	76,046	15,501	60,545
North	2,690	333	305	480	3,808	740	3,068
Yorkshire and Humberside	4,427	592	535	717	6,271	1,254	5,017
East Midlands	3,405	509	433	479	4,826	936	3,890
East Anglia	1,387	387	263	238	2,275	466	1,809
South East	18,426	2,535	2,977	2,363	26,301	5,817	20,484
South West	3,578	700	661	610	5,549	1,053	4,496
West Midlands	5,061	580	667	670	6,978	1,396	5,582
North West	6,029	729	798	1,017	8,573	1,625	6,948
England	45,003	6,365	6,639	6,574	64,581	13,287	51,294
Wales	2,166	355	284	441	3,246	626	2,620
Scotland	4,544	740	516	799	6,599	1,289	5,310
Northern Ireland	1,070	217	105	228	1,620	299	1,321
1975							
United Kingdom	68,290	8,818	8,767	10,482	96,357	22,071	74,286
North	3,616	410	361	622	5,009	1,133	3,876
Yorkshire and Humberside	5,645	714	627	944	7,930	1,847	6,083
East Midlands	4,399	585	536	640	6,160	1,376	4,784
East Anglia	1,845	446	305	308	2,904	659	2,245
South East	23,550	2,773	3,420	3,064	32,807	8,022	24,785
South West	4 517	798	759	811	6,885	1,498	5,387
West Midlands	6,576	672	767	884	8,899	1,962	6,937
North West	7,758	843	927	1,318	10,846	2,368	8,478
England	57,906	7,241	7,702	8,591	81,440	18,865	62,575
Wales	3,007	423	347	573	4,350	916	3,434
Scotland	5,988	888	587	1,031	8,494	1,869	6,625
Northern Ireland	1,389	286	131	287	2,073	421	1,652
1976							
United Kingdom	78,241	10,481	10,122	13,003	111,847	25,963	85,884
North	4,162	500	414	777	5,853	1,317	4,536
Yorkshire and Humberside	6,534	846	745	1,174	9,299	2,152	7,147
East Midlands	4,954	627	619	784	6,984	1,615	5,369
East Anglia	2,143	571	352	379	3,445	785	2,660
South East	26,817	3,104	3,956	3,792	37,669	9,469	28,200
South West	5,248	1,102	902	1,001	8,253	1,767	6,486
West Midlands	7,368	676	885	1,103	10,032	2,308	7,724
North West	8,932	958	1,057	1,641	12,588	2,813	9,775
England	66,158	8,384	8,930	10,651	94,123	22,226	71,897
Wales	3,443	650	393	715	5,201	1,098	4,103
Scotland	6,969	1,019	658	1,280	9,926	2,142	7,784
Northern Ireland	1,671	428	141	357	2,597	497	2,100
1977							
United Kingdom	85,861	11,561	11,971	15,378	124,771	27,910	96,861
North	4,503	548	481	921	6,453	1,409	5,044
Yorkshire and Humberside	7,231	929	902	1,377	10,439	2,319	8,120
East Midlands	5,529	767	719	937	7,952	1,743	6,209
East Anglia	2,335	528	414	449	3,726	839	2,887
South East	29,294	3,461	4,677	4,479	41,911	10,163	31,748
South West	5,833	1,238	1,068	1,184	9,323	1,910	7,413
West Midlands	8,181	740	1,043	1,311	11,275	2,484	8,791
North West	9,813	1,071	1,232	1,935	14,051	3,025	11,026
England	72,719	9,282	10,536	12,593	105,130	23,892	81,238
Wales	3,807	706	463	849	5,825	1,186	4,639
Scotland	7,559	1,108	810	1,504	10,981	2,294	8,687
Northern Ireland	1,776	465	162	432	2,835	538	2,297

[1] Includes national insurance benefits and other current grants from general government *plus* imputed charge for capital consumption of private non-profit-making bodies.

The Budget 12 June 1979

The following are the proposed changes in taxation, as set out in the *Financial Statement and Budget Report 1979-80* (HMSO June 1979)

INLAND REVENUE

Income tax

The Finance Act 1979 increased the single person's allowance and the maximum wife's earned income relief from £985 to £1,075 and the married allowance from £1,535 to £1,675. It is now proposed that these allowances be further increased to £1,165 and £1,815, respectively.

The Finance Act 1979 increased the additional personal allowance from £550 to £600. It is now proposed to increase it further to £650.

The Finance Act 1979 also increased the age allowance for the single person from £1,300 to £1,420, for the married from £2,075 to £2,265, and the age allowance income limit from £4,000 to £4,400. It is now proposed that these levels be further increased to £1,540, £2,455 and £5,000, respectively.

It is proposed to extend the basic rate band by £2,000 to £9,250 (reduced, as appropriate, by any wife's earnings charged at the lower rate), and to reduce the basic rate of tax from 33 per cent to 30 per cent.

It is proposed to abolish the higher rates of tax above 60 per cent and to increase the width of the remaining higher rate bands. As a consequence of these changes, the structure of personal tax rates in operation in 1979–80 will be:

Bands of taxable income

£	*Per cent*
0– 750	25
750–10,000	30
10,001–12,000	40
12,001–15,000	45
15,001–20,000	50
20,001–25,000	55
over 25,000	60

It is proposed that the investment income surcharge for 1979–80 should be charged at the single rate of 15 per cent, and that the threshold should be £5,000 for all taxpayers.

Following the withdrawal of child tax allowances in the Finance Act 1979 it is proposed to re-define the qualifying conditions for additional personal allowance and to repeal Section 13, Income and Corporation Taxes Act 1970 (child-minder relief). It is also proposed that the child dependency allowance received by widows and certain other social security beneficiaries should be wholly exempt from income tax.

It is proposed that war widows' pensions should be wholly exempt from income tax.

It is proposed to reduce the profit restriction in calculating the amount of stock relief from 15 per cent to 10 per cent.

Income tax and corporation tax

It is proposed to write off the balance of stock relief still outstanding for 1973–74 and 1974–75 and to introduce provisions to write off so much of the relief for each subsequent year as has not been recovered after a period of six years.

It is proposed to allow businesses to claim less than the full amount of stock relief due.

It is proposed to introduce provisions under which expenditure incurred after 12 June 1979 on cars acquired for long-term leasing will generally cease to qualify for the 100 per cent first year allowance.

Corporation tax

It is proposed that advance corporation tax for 1979–80 should be payable at the rate of 3/7ths of the amount of the distribution.

It is proposed for the financial year 1978 to increase the lower and upper limits for the 'small companies' rate of corporation tax from £50,000 and £85,000 to £60,000 and £100,000 respectively.

Petroleum revenue tax

It is proposed to increase the rate of petroleum revenue tax (PRT) from 45 per cent to 60 per cent for chargeable periods ending after 31 December 1978. It is also proposed to reduce the uplift in respect of certain qualifying expenditure from 75 per cent to 35 per cent, subject to transitional provisions for expenditure under contracts entered into before 1 January 1979.

It is proposed to reduce the oil allowance for PRT from 1 million long tons to ½ million metric tonnes a year, and to reduce the cumulative limit of 10 million tons per field to 5 million metric tonnes.

It is proposed to extend relief for expenditure to allow relief for expenditure incurred beyond the point at which oil is first landed in the United Kingdom and up to the point at which oil is valued for the purposes of PRT. It is proposed to remove the British National Oil Corporation's exemption from PRT for chargeable periods ending after 30 June 1979.

Development land tax

It is proposed that development value realised from the disposal of an interest in land on or after 12 June 1979 should be charged at 60 per cent and that the amount of development value realised in a financial year which is exempt from development land tax should be increased from £10,000 to £50,000 as respects disposals from the same date.

Capital transfer tax

It is proposed to extend for a further two years the period during which transitional relief is available for distributions from discretionary trusts, and to postpone for two years the introduction of the periodic charge on discretionary trusts.

CUSTOMS AND EXCISE

Surcharges and rebates in respect of excise duties

It is proposed to extend for a further year the existing powers under Section 1 of the Excise Duties (Surcharges or Rebates) Act 1979 which enable the Treasury by Order to impose a surcharge or allow a rebate in respect of those excise duties to which the Section applies.

Value added tax

It is proposed that from 18 June 1979 the 8 per cent rate of value added tax should be increased to 15 per cent.

It is proposed that from 18 June 1979 the 12½ per cent rate of value added tax should cease to have effect and that the goods and services subject to it should be chargeable at the 15 per cent rate.

It is proposed to amend the law so that the 15 per cent rate of value added tax will not apply in respect of charges to telephone subscribers on computer-produced tax invoices which include a rental charge for a rental quarter commencing before 1 November 1979.

It is proposed to amend the law so that goods and services supplied before the date of the increase in the rate of value added tax will not attract the increased rate of tax solely because the time of supply for VAT purposes is after the new rate of tax has come into effect.

Hydrocarbon oil duties

It is proposed, from 6 p.m. on 12 June 1979, to increase:

a the rate of duty on light hydrocarbon oil, petrol substitutes and spirits used for power methylated spirits by 1·5p a litre;

b the rate of duty on heavy hydrocarbon oil for use as road fuel by 1·5p a litre;

c the effective rate of duty borne by rebatable oils (except kerosene used other than as aviation fuel) by 0·11p a litre;

d the rate of duty on gas used as road fuel by 0·75p a litre.

Tobacco

It is proposed as from 13 August 1979 to vary the rates of tobacco products duty on cigarettes as follows:

a to increase the specific element in the duty by £2·77 per 1,000 cigarettes, and

b to reduce the *ad valorem* element from 30 per cent to 21 per cent of the retail price.

Forecast effects of changes in taxation

The effects shown are direct effects: *ie*, the difference between the yields of pre-Budget and post-Budget tax rates at the same levels of income and activity. The expenditure tax figures do, however, allow for the effects of relative price changes on the composition of consumers' expenditure.

	£ million	
	Forecast for 1979–80	Forecast for a full year
Inland Revenue		
Income tax		
Increase in single allowance by £180 and married allowance by £280	−1,541[1]	−1,845[1]
Increase in additional personal allowance by £100	− 11[1]	− 13[1]
Increase in age allowance by £240 (single) and £380 (married) and in income limit	− 168[1]	− 210[1]
Reduction of 3p in basic rate	−1,288	−1,395
Extension of basic rate band by £2,000	− 158	− 200
Changes in higher rate thresholds and rates	− 305	− 662
Increase in investment income surcharge thresholds	− 22	− 201
Exemption of child dependency allowance	− 5	− 6
Exemption of war widows' pensions	− 4	− 6
Stock relief: reduction in profit restriction	Nil	− 30[2]
Income tax and corporation tax		
Stock relief: write-off	Nil	− 25[3]
Stock relief: partial claims	Nil	Negligible
Capital allowances: leased cars	Nil	+ 200[4]
Corporation tax		
Decrease in rate of ACT to 3/7ths of the amount of the dividend	− 190	[5]
Increase in limits for small company relief	− 6	− 11
Petroleum revenue tax		
Increase in rate and reduction of uplift	+ 110	+ 130[6]
Reduction of oil allowance	+ 20	+ 20[7]
Relief for certain expenditure incurred after the oil is landed	− 20	− 11[8]
Removal of exemption of British National Oil Corporation	Nil	Nil
Development land tax		
Reduction in rate and increase in exempt amount	− 2	− 10[9]
Capital transfer tax		
Extension of transitional period for discretionary trusts	Negligible	Nil[10]
Total Inland Revenue	−3,590	−4,275
Customs and Excise		
Value added tax		
Unification of rates at 15 per cent	+2,035[11]	+4,175[11]
Excise duties		
Increase in rate of duty on light oil, etc.	+ 280[12]	+ 375[12]
Increase in rate of duty on heavy oil for use in road vehicles	+ 80	+ 100
Increase in effective rate of rebatable oil duty	+ 40	+ 50
Variations in rates of duty on cigarettes	Negligible	Negligible
Total Customs and Excise	+2,435	+4,700
Total changes in taxation	**−1,155**	**+ 425**

[1] Costs include the cost of revalorisation of allowances in the Finance Act 1979 (£866 million in 1979–80 and £1,042 million in a full year).
[2] The cost in 1980–81 will be £10 million.
[3] The cost in 1980–81 will be £20 million.
[4] The yield in 1980–81 will be £175 million.
[5] Increases subsequent liabilities to mainstream corporation tax.
[6] Petroleum revenue tax + £270 million; corporation tax −£140 million.
[7] Petroleum revenue tax + £40 million; corporation tax −£20 million.
[8] Petroleum revenue tax −£22 million; corporation tax + £11 million.
[9] DLT −£13 million; capital gains tax and corporation tax + £3 million; in addition, there will be a loss of benefit to net of tax bodies amounting to £1 million in 1979–80 and £6 million in a full year.
[10] The cost in 1980–81 will be £20 million.
[11] VAT + £2,135 million in 1979–80 and + £4,305 million in a full year; excise duties and car tax −£100 million in 1979–80 and −£130 million in a full year.
[12] Oil duty + £265 million in 1979–80 and + £345 million in a full year; VAT + £15 million in 1979–80 and + £30 million in a full year.

The economic outlook to 1980

The following note and tables are reproduced from the *Financial Statement and Budget Report 1979-80* (HMSO June 1979).

Introduction and summary

The prospect is for economic activity to decline slightly over the next year or so. Retail price inflation increases during 1979 and falls again during 1980. The current account of the balance of payments is forecast to remain close to balance. Public sector borrowing, as a percentage of GDP, is cut sharply from the 1978–79 level.

Tables 1 and 2 set out the forecasts and give some indication of the orders of magnitude of the errors which could be involved.

Policy assumptions

Monetary and fiscal policy assumptions for 1979–80 are determined by the Budget proposals. Growth of the money supply is assumed to be in the centre of the target range. In April 1980 all specific duties and income tax allowances and bands are assumed for forecasting purposes to be adjusted in line with price increases during 1979. Firm control of the money supply is assumed to continue during 1980–81. The Government has not yet reviewed public expenditure plans for 1980–81 and there is therefore no firm basis for a forecast. For present purposes the level of planned expenditure now decided for 1979–80 is simply extrapolated into 1980–81. The exchange rate is taken as determined primarily by market forces.

Domestic demand

The prospect is for rather little change in real personal disposable incomes over the next year. This reflects the lack of buoyancy in economic activity, and a number of specific factors tending to raise prices. The upward step in prices following the indirect tax changes reduces the real value of existing savings in money-denominated assets; there is evidence that this encourages consumers to save in order to re-establish the real value of existing savings. For this reason the fall in the personal savings ratio after the Budget is likely to be small and the impact on personal consumption to be correspondingly large. The savings ratio is forecast to stay close to the historically high figure of 15 per cent. The ratio of wealth to income will also remain low compared with earlier years. The forecast path of personal consumption is fairly flat over the next year. The variant in Table 1 shows the possible consequences of a lower outcome for savings. The savings ratio is assumed (before allowing for multiplier effects) to be 2 per cent lower than in the main forecast. This lower ratio would still be very high compared to any year prior to 1974. The variant shows that this development alone could add some 1½ per cent to GDP by the first half of 1980, converting a small fall into a small rise.

Economic prospects to 1980

TABLE 1

	Main forecast	Lower savings variant	Margin of error[1] (plus or minus)
A. Output and expenditure at constant 1975 prices			
First half 1979 to first half 1980; per cent change:			
Gross domestic product (at factor cost)	−1	+ ½	2
Consumers' expenditure	−1	+1	2
General government expenditure on goods and services	−2½	−2½	2[2]
Public corporations' fixed investment	−4½	−4½	8
Private sector investment	− ½	+1	5
Exports of goods and services	5½	6½	4
Stockbuilding (as per cent of GDP)	− ½	—	1
Imports of goods and services	1	3	3½
Manufacturing production	−2½	− ½	5
B. Balance of payments on current account			
£ billion:			
1979 First half	− ¾	− ¾	..
Second half	0	− ½	½
1980 First half	0	− ¾	1¼
C. Public sector borrowing requirement			
£ billion—in brackets, percentage of GDP at market prices:			
Financial year 1978–79	9¼(5½%)	9½(5½%)	..
Financial year 1979–80	8¼(4½%)	7½(4%)	2¾
D. Retail price index			
Per cent change:			
Third quarter 1978 to third quarter 1979	16	16	1
Third quarter 1979 to third quarter 1980	13½	14	5
E. Money supply (sterling M3)			
Per cent change:			
Mid-June 1979 to mid-April 1980 (at annual rate)	9	9	..

[1] The errors relate to average and not maximum errors (on either side of the central figure) experienced in the past. They have been calculated in much the same way (and in many cases are identically the same figures) as those published in the previous Industry Act forecast (Treasury Economic Progress Report Supplement, November 1978, Table 3). The figures for the current account and PSBR were standardised as percentages of GDP and the figures quoted in £ billion therefore reflect the general increase in current price magnitudes. In Section A, however, the errors are likely to be under-estimates of the true margin of uncertainty in the forecast changes shown. This is because the errors relate to changes between the relevant forecast period and a 'base period' spanning the four quarters prior to the completion of the forecast. Errors in forecast changes over a period starting with a relatively short 'base' (in this case the first half of 1979) which is itself highly uncertain are liable to be greater.
The errors in Section A (apart from manufacturing output) are based on forecasts between June 1965 and November 1976. Sections B and D plus manufacturing output use forecasts between June 1970 and November 1976. Section C uses PSBR forecasts made at the time of the Budget in the years 1967–76. Apart from manufacturing output the errors have been adjusted for subsequent major changes in fiscal policy.

[2] Margin applies to general government consumption.

The forecasts of private investment are largely based on intentions surveys, though it is likely that respondents did not allow for as sharp a check to activity as is now forecast. While there is some (highly fallible) econometric evidence about the scale and pace at which investment responds to

changes in output it may also be true that monetary and fiscal policy will have relatively favourable effects on industry's confidence in the prospect for non-inflationary growth in the longer term. The recent high level of interest rates cannot, however, be favourable to investment. On balance total private sector investment is forecast to be roughly constant over the period of the forecast.

Stockbuilding, however, is forecast to decline and may become negative by the first half of 1980 since the starting point is one of high stocks in relation to output, particularly for manufacturing.

The forecasts of public expenditure provide for a full allocation of the (reduced) contingency reserve as well as for a likely level of shortfall. As a result of the cuts in programmes and the squeeze imposed by the Government's policy on cash limits there may be a small fall in general government expenditure on goods and services (both consumption and investment) over the next year.

Output

The prospect is for a small fall in the level of total output over the next year although the forecast change is well within the known margin of error. Domestic demand is weak because of the effects of the Budget and because private sector investment – both in fixed assets and stocks – is passing a peak. Moreover, export volumes – apart from oil – are held back by poor competitiveness, and the upward trend in the share of demand met by imports may continue. Within a total picture of slightly falling output, North Sea oil production will expand quite rapidly, while manufacturing output is likely to be weaker than output in total, reflecting adverse overseas trade movements.

Inflation

The outturn for earnings growth in this pay round, based on the latest earnings and settlements figures, looks like being close to the 14 per cent experienced in the previous pay round. The forecast of earnings from this autumn onwards takes account of the impact of rising prices, the increases in disposable income arising from the Budget reductions in income tax, tight monetary policy and the ability of employers to pay, as well as the commitment to comparability payments in parts of the public sector. Past relationships are not a strong guide in this area and so the forecast is subject to a very wide margin of uncertainty. Subject to this important proviso the forecast shows earnings in the private sector rising at much the same rate as in the last year or two, with rather larger increases in the public services.

Even without the Budget the prospect was for some further increase in the rate of inflation this year, partly because of a number of favourable factors affecting last year: notably roughly stable import prices for food and basic materials, reflecting the strength of sterling and the weakness of commodity prices. This year oil prices are up sharply and there are firmer trends in other commodity prices. Moreover, there are some domestic factors (*eg*, the National Insurance Surcharge, local authority rates) tending to raise prices faster this year; and it is likely that some producers will be keen to improve their margins, though the scope for this will be limited by the tightness of monetary and fiscal policies. The Budget itself is estimated to add about 4 per cent to the RPI in the third quarter of this year, leading to a total increase of about 16 per cent. The late date of the Budget means that the impact of indirect tax increases will come entirely in the third quarter of 1979 rather than in the second quarter. Once this effect has taken place retail price inflation in the following year – despite some price effects of the public expenditure measures – is forecast to fall back to around 13½ per cent.

World economic prospects

1978 saw a growth of about 3¾ per cent in GNP in the OECD area, with some slowdown in the United States being compensated by faster growth in Canada, Germany, Italy and some smaller countries. A further, more substantial, slowdown in the growth of United States activity seems probable in 1979 and the first half of 1980 and as a result GNP growth in the OECD area may be around 3½ per cent in 1979 falling to below 3 per cent in 1980. But because the United States is contributing less to total growth and some smaller countries, with higher import propensities, may be growing faster the prospects for trade may be rather more favourable than the GNP aggregates suggest. Weighted appropriately for United Kingdom exports the volume of trade in manufactures is forecast to recover from a very slow increase of about 3 per cent in 1978 (itself an unusually low figure in relation to activity) to an annual rate of some 5–6 per cent from now on.

Trade volumes

In 1978, United Kingdom exports of manufactures (less erratics) fully matched the estimated increase in world trade in manufactures, despite the past tendency for United Kingdom exports to lose share in world markets. The figures for the first four months of 1979 are very difficult to interpret, owing to distortions resulting from industrial action. But the indications are of a less favourable performance. The forecasting judgment is that the trend loss of United Kingdom share is unlikely to have disappeared and during the forecast period it is likely to be reinforced by the growing impact of unfavourable competitiveness. As a result of a strong exchange rate and substantial pay settlements, United Kingdom labour costs rose sharply in the first half of 1979 relative to our main competitors. The implication of the forecasts for costs and the exchange rate is that competitiveness over the next year remains close to its level in the first half of 1979, having worsened by some 8 per cent compared with 1978 and 13 per cent compared with 1977. The evidence strongly suggests that, particularly on exports, trade volumes are adversely affected with a considerable lag and so the consequences of the recent changes in relative costs continue to affect the economy through and beyond the period of this forecast. Thus despite a slightly better prospect for world trade over the next year the prospect is for a fairly flat path of exports of manufactures at a level well above the first half of 1979 but a little below the second half of 1978.

The volume of imports of manufactures rose by 13½ per cent in 1978, some of the increase reflecting the strong rise in United Kingdom demand. Total imports of goods and

Forecasts of expenditure, imports and gross domestic product

TABLE 2

	£ million at 1975 prices, seasonally adjusted												
		General government expenditure on goods and services							*less*	*less*	*plus*		
	Consumers' expenditure	Final consumption	Fixed investment	Total	Other fixed investment	Exports of goods and services	Stock-building[1]	Total final expenditure	Imports of goods and services	Adjustment to factor cost	statistical Adjustment[1]	Gross domestic product at factor cost[1]	GDP index 1975 = 100
1977	62,950	23,300	3,850	27,150	16,100	31,500	1,000	138,700	30,350	10,800	100	97,650	105·0
1978	66,400	23,650	3,350	27,000	17,100	32,250	950	143,700	31,750	11,450	—	100,500	108·1
1979	68,350	24,000	3,300	27,300	17,000	32,100	450	145,200	33,100	11,600	350	100,850	108·5
1978 first half ..	32,800	11,800	1,750	13,550	8,550	15,900	550	71,350	15,800	5,700	—	49,850	107·2
second half ..	33,600	11,850	1,600	13,450	8,550	16,350	400	72,350	15,950	5,750	—	50,650	109·0
1979 first half ..	34,350	12,000	1,700	13,700	8,500	15,700	250	72,500	16,500	5,800	250	50,450	108·5
second half ..	34,000	12,000	1,600	13,600	8,500	16,400	200	72,700	16,600	5,800	100	50,400	108·5
1980 first half ..	34,050	11,900	1,500	13,400	8,400	16,600	−150	72,300	16,650	5,800	100	49,950	107·4
Percentage changes													
First half 1978 to first half 1979 ..	4½	2	− 2	1½	−1	−1		1½	4½	1		1	
Second half 1978 to second half 1979 ..	1	1½	− 3	1	− ½	½		½	4	1		− ½	
First half 1979 to first half 1980 ..	−1	−1	−12	−2½	−1½	5½		− ½	1	—		−1	
Percentage changes at annual rate													
First half 1978 to second half 1979 ..	2½	1	− 6	—	—	2		1½	3½	1		1	
Second half 1978 to first half 1980 ..	1	½	− 6	− ½	−1½	1		—	3	½		−1	

[1] All figures in Table 2 are based on 'compromise' estimates of gross domestic product. The statistical adjustment reflects the different movement of expenditure and compromise series.

Note: Figures in £ million are rounded to £50 million. Percentage changes are calculated from unrounded levels in £ million and then rounded to ½ per cent. The GDP index in the final column is calculated from unrounded numbers.

services went up 4½ per cent. Over the next year, with domestic demand tending to fall, the rise in imports, particularly of manufactures, should tail off, though the tendency for domestic producers to lose share in the domestic market for manufactures seems likely to continue, partly because of the poor level of competitiveness. Imports of goods and services are forecast to rise 1 per cent over the coming year from the rather high level in the first half of 1979.

Including the effects of increasing oil production the visible balance in volume terms is likely to have deteriorated substantially in the first half of 1979 but is forecast to recover to about its 1978 level by the end of the forecast period.

The United Kingdom current account benefited in 1978 from a significant improvement in the terms of trade originating in particular from weak commodity prices. Although there will probably be some further improvement in the overall terms of trade this year this is more a reflection of changes in relative prices of UK and overseas manufactures. While the increase in oil prices has comparatively little effect on the United Kingdom's terms of trade, world prices of industrial materials may at least keep pace with those of manufactures.

The surplus on invisibles declined in 1978, mainly reflecting increasing transfer debits – notably payments to the EEC. Some further decline in the invisible surplus seems likely during the period of the forecast. Although the surplus on the services account may begin to rise again transfer debits will continue to increase and the balance on interest, profits and dividends is also likely to worsen, particularly for oil, where North Sea oil profits accruing to foreign-owned companies are increasing rapidly.

The net effect of these various trends is to suggest a fairly stable picture with the current account remaining in approximate balance.

PSBR

Last year saw a PSBR of £9¼ billion (5½ per cent of GDP

at market prices), after £5½ billion (4 per cent) in the previous year. The forecast for 1979–80 is £8¼ billion (4½ per cent): this is about £2¼ billions less than the figure implied by a continuation of the 5½ per cent reached last year. In 1979–80 the effects of the Budget are partly offset by the cost of comparability wage payments in the public sector.

Margins of error

The inevitably large margins of error associated with economic forecasts have been regularly emphasised in Government publications and estimates of average errors in past forecasts have been shown. On this occasion these estimates are presented adjacent to most of the key components of the forecast in Table 1. These estimates are in no sense the maximum errors that are likely to occur. For one thing they are based on the average not the largest size of errors recorded in the past. Secondly, for Part A of the table the errors relate to comparisons of the forecast with a relatively long and firm base; errors relating to changes from a six-month period which is itself a forecast will tend to be higher, because the initial period as well as the final period of the comparison is subject to substantial error. This is particularly important for the first half of 1979 which was substantially affected by industrial disputes. Thirdly, there is no clear presumption that past errors are a good guide to future errors. Both the way forecasts are made and the factors influencing economic fluctuations tend to change over time. On the present occasion the large changes in the Budget itself may tend to increase margins of error. The forecasts are largely based on economic relationships fitted to the historical data of the last 10 or 15 years. Although the economy is modelled in such a way as to take account insofar as possible of the effects of policy changes, it remains a possibility that large changes in policy will affect the economy in ways which are not foreseen. It is particularly difficult to take account of possible changes in confidence and expectations or, for the slightly longer term, of the effect of incentives on supply side relationships.

Round-up: what's new in economic statistics

Overseas travel and tourism

Two methodological changes will be made to the calculation of estimates of the numbers and expenditure of UK and foreign tourists regularly published in *Trade and Industry*. Their effect on 1978 data will be to increase the estimated number of UK visits abroad and of foreign visits to the UK by about 5 per cent and 7½ per cent respectively, with the corresponding expenditure flows increased by 5½ and 7½ per cent. As a result the estimate of the surplus from tourism in the balance of payments accounts will be increased by £97 million. An article in the 25 May issue of *Trade and Industry* describes the changes and provides revised estimates for 1978 and earlier years.

National Institute Economic Review

The May *Review* contains an article which compares the National Institute's performance in forecasting gross output with that of United States forecasters.

Imports and exports of finished manufactures classified by end-use

An article in the 15 June issue of *Trade and Industry* introduces new statistical series of UK imports and exports of finished manufactures classified according to end-use; that is capital goods and consumer goods.

The analysis is based on the overseas trade statistics and is consistent with the latest back-run of external trade statistics. It replaces the end-use series constructed by the Department of Trade and published in *Trade and Industry*, 5 August 1977.

Employment Gazette

The June issue of *Employment Gazette* has an article – 'The changing composition of the labour force 1976–1991'.

Index of sources

Data given on page **5** may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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